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40 Die in Rioting In Soviet Kirghizia As Unrest Spreads

By Francis X. Clines
New York Times Service

MOSCOW — The Kremlin reported Wednesday that at least 40 persons have died in three days of ethnic rioting and countermeasures by Soviet troops in the Central Asian republic of Kirghizia.

Long simmering enmity between the Kirghizi majority and an ethnic Uzbek minority erupted into violence Monday in a dispute over the distribution of sorely needed homestead land, according to Soviet news accounts.

Soviet forces fired machine guns and tear-gas grenades in facing a protesting crowd of 20,000 Uzbeks in the initial incident in Osh, an industrial center near the border of Soviet Uzbekistan, according to one news account.

While the deaths were attributed in government-controlled news reports to repeated clashes between Uzbeks and Kirghizis, automatic-weapons fire from Soviet troops also apparently accounted for a significant part of the casualty toll. The toll included at least 200 wounded, many of them in since Tuesday, by official accounts.

Fierce street clashes were reported, with the army using armored cars and helicopters in facing protesters, including "rampaging crowds" along the Uzbek-Kirghiz border, press accounts said.

The government of President Mikhail S. Gorbachev has been confronted by a growing wave of nationalistic protests and ethnic rivalries and repeated incidents of violence in the provinces, often finding itself accused of aggravating the situation.

Independent accounts of the trouble in Kirghizia were not immediately available from the area, which has been closed to foreign correspondents.

The violence in Kirghizia started in Osh, about 160 kilometers (100 miles) from the Chinese border, when Soviet troops opened fire with machine guns after coming under assault by a mob of Uzbeks throwing rocks and gasoline bombs in anger over the awarding of building plots to Kirghizis, according to Tass, the Soviet news agency.

By Wednesday the unrest had spread to Frunze, the republic's capital 400 kilometers miles to the north, where troops fired into the air to disperse students reportedly attempting to stone the local Communist Party chief at a meeting called to ease community anger.

As protesters moved through the streets, the authorities in Frunze ordered the evacuation of Uzbek students from local colleges.

■ Army Units Sent In

The speaker of the Soviet parliament, Anatoli I. Lukyanov, said Wednesday that army units had been drafted into Kirghizia from the neighboring republic of Turkmenia by agreement with the Defense Ministry, Reuters reported from Moscow.

Mr. Lukyanov told legislators that fighting was still raging in Osh. He said that the casualties included 21 policemen, but did not specify whether they were killed or injured.

A spokesman for the Soviet Interior Ministry predicted that it would take some time to bring the unrest under control.

"This is a mass disorder, a real catastrophe," he said.

A resident of Frunze said by telephone that local authorities had begun evacuating Uzbek students from the city after Kirghiz residents attacked them.

The majority of residents of Osh are Uzbeks and most of the casualties in the fighting in the town were Kirghiz.

"The first reprisals took place this morning in the market," the Frunze resident said. "All Uzbek traders were beaten up and thrown out. Kirghiz students began hunting down and beating up Uzbeks. There were injuries but no deaths."

Kirghiz students attending meetings at various points in the city, he said, were demanding permission to go to Osh to "help our brothers".

Kirghiz Radio, monitored by the

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Alexander Zemlianichenko/The Associated Press

Soviet Muslims protesting Wednesday in Moscow against the cost of tickets for the pilgrimage, or Hajj. One sign demands, "Realistic conditions for the trip to Mecca!"

Soviets Back Off On Jews

U.S. Cites Pledge By Shevardnadze Not to Halt Exits

By John M. Goshko
Washington Post Service

COPENHAGEN — Foreign Minister Eduard A. Shevardnadze of the Soviet Union has assured the U.S. secretary of state, James A. Baker 3d, that his government will not halt Jewish emigration to Israel despite President Mikhail S. Gorbachev's threat in Washington on Sunday.

Mr. Shevardnadze gave the assurance to Mr. Baker during a two-hour meeting here Tuesday night after Mr. Baker raised U.S. concern about the meaning of Mr. Gorbachev's comments, a U.S. official said Wednesday.

[Mr. Baker said Wednesday that he would transmit to NATO allies a Soviet proposal on the military future of a reunited Germany, The Associated Press reported from Copenhagen.

[Mr. Baker said that Mr. Shevardnadze had provided only a few details of the proposal, but added, "I hope we are making progress" in persuading Moscow to give up its objections to German membership in the Western alliance.]

On Sunday, when Mr. Gorbachev and President George Bush concluded their summit meeting with a joint news conference, Mr. Gorbachev said he had been "bombarded" with criticism from Arab governments fearful that Israel would settle large numbers of Soviet Jews in the occupied West Bank.

Mr. Gorbachev said, "Either our concern is heeded in Israel and they will make certain conclusions or else we must give further thought to it in terms of what we do in issuing permits for visas."

The remark caused concern in Israel and the United States and prompted U.S. officials to say that the Soviets had not raised the issue during the summit talks. In fact, Mr. Bush's decision to sign a controversial trade agreement with the Soviets was made partly to encourage continuation of the liberalization that has allowed thousands of Jews to leave the Soviet Union.

The senior official, who declined to be identified, said that in the meeting Tuesday, Mr. Baker had told Mr. Shevardnadze that Washington "was surprised and confused by Gorbachev's statement and wanted clarification."

The official added, "The secretary made clear that any move in that direction would have very serious consequences."

According to the official, Mr. Shevardnadze explained that Mr. Gorbachev had wanted to demonstrate that Moscow "would like to have certain understandings from the Israelis because there's a problem" in the Soviet view.

But Mr. Shevardnadze stressed that Moscow had no intention of backing away from its liberalized emigration policy, the official added, and assured Mr. Baker that the policy would continue and be codified in a new emigration law, as Mr. Gorbachev has promised.

The United States originally had tied a trade agreement and the granting of most-favored-nation trade status to Moscow to the passage of such a law.

During the summit meeting, Mr. Bush decided to sign the agreement but made it clear that he would not send it to Congress until the Supreme Soviet passed the emigration bill. He also withheld for the present most-favored-nation tariff status for Soviet exports.

Asked why the emigration law had been delayed, Mr. Shevardnadze explained that the Supreme Soviet has a very full docket at present and is particularly preoccupied with Mr. Gorbachev's controversial economic renewal program, the official said.

Mr. Baker and Mr. Shevardnadze were in Copenhagen for the opening of a human rights conference of the 35 countries participating in the Conference on Security and Cooperation in Europe.

In a speech to the conference Wednesday, Mr. Baker said the

See TALKS, Page 8

West Vetoes Fiber Optics Line Across Soviet Union

By Stuart Auerbach and John Burgess
Washington Post Service

WASHINGTON — In a coordinated move hours after President Mikhail S. Gorbachev left the United States, the U.S. and British governments vetoed competing proposals by two major telephone companies in their countries to build a modern fiber-optic communications line across the Soviet Union.

The move came despite repeated calls by Mr. Gorbachev during his visit here for increased investment and aid from the West to help modernize the Soviet economy.

Bush administration officials said the actions Tuesday were timed to signal to U.S. allies that the United States and Britain have come together on the eve of a multinational meeting that began Wednesday in Paris to discuss loosening restrictions on technology exports to the Soviet Union and Eastern Europe.

Under pressure from allies and U.S. business, the Bush administration has agreed to greatly liberalize export controls on machine tools and computers. But up until now it has stood firm on telecommunications, although administration officials said a compromise is possible during the meeting of the 17-nation Coordinating Committee on Multilateral Export Controls (Cocom).

US West Inc., a telecommunications firm in Denver that heads an international consortium that wants to build a $500 million line, said the Commerce Department had informed it that the government would oppose its application on grounds of national security.

Laird Walker, US West's vice president for federal relations, said the company planned to appeal.

An administration source said the British government had delivered a similar message to Cable & Wireless, which heads another group that proposed to build a similar but less technically advanced line. Both would run from Japan to Western Europe, crossing the Soviet heartland.

The United States has taken the toughest line on keeping export controls tight, arguing in meetings of Cocom that security of the West still requires limits on exports. Fiber optics, in which voices are transmitted as bursts of light, could give away technology with important military applications, the United States has said, and is also used in controlling missiles. Administration sources said the U.S. position also was influenced by the National Security Agency, which said it would have a harder time listening in on communications in the Soviet Union and Eastern European nations if they had fiber-optic cables and advanced digital switching gear.

In Poland, Self-Inflicted Wounds Are Crippling Solidarity

By Blaine Harden
Washington Post Service

WARSAW — Solidarity, the labor union movement that survived a decade of Communist repression and last year scored the first victory in Eastern Europe's season of revolution, is now at war with itself.

After less than a year as the pre-eminent political force in Poland, the movement is being crippled with self-inflicted wounds.

The internal conflicts are occurring against the backdrop of plummeting living standards in Poland, a country now squeezed by the most aggressive free-market economic policy in Eastern Europe. As hardship becomes part of an already grim life, many working Poles say that the novelty of a non-Communist elected government is wearing thin.

Solidarity's major asset, a decade-long alliance between workers and intellectuals, is beginning to crumble. The union's leader, Lech Walesa, is the agent of change, as he has been since his days as a shipyard electrician in 1980.

In the name of the workers, Mr. Walesa has declared "a war at the highest level" against a government that is run by his longtime Solidarity allies. He now derisively refers to these men "as the egghead bastion in Warsaw." They, in turn, grumble that the Nobel Peace laureate is acting like an "absolute monarch."

Mr. Walesa, who holds no official position in the government, has announced that he wants to be president of Poland. His advisers say that he wants the job by this autumn, but Prime Minister Tadeusz Mazowiecki, an editor who was handpicked by Mr. Walesa to lead the government, has said that such a change should wait at least until next year.

The loudest volley in Mr. Walesa's war was fired Monday when he sent a fax message from his headquarters in the Baltic port of Gdansk to the Warsaw offices of the Solidarity newspaper, Gazeta Wyborcza. In it, Mr. Walesa withdrew his support from the paper's founding editor, Adam Michnik, a historian who over the last decade has been perhaps the single most articulate, persuasive and influential thinker in Solidarity. Mr. Walesa said it was "disputable" whether the newspaper, which is the most prominent mouthpiece of the Solidarity-led government, should "still bear the logo of Solidarity." He added that this appointment of Mr. Michnik last year, before the parliamentary elections that led to the Communists downfall, had "become pointless."

The reasons behind this and other assaults by Mr. Walesa on his Solidarity allies, many of whom are longtime friends, range from his insistence that the new government has moved too slowly in removing holdovers from the Communist past to his claim that

See POLES, Page 8

Kiosk

De Klerk Might Lift Emergency

CAPE TOWN (AFP) — President Frederik W. de Klerk will speak to the three houses of the Parliament on Thursday, according to a presidential spokesman.

Observers said Mr. de Klerk was almost certain to announce the raising of the national state of emergency, which was up for renewal this week. It was imposed in June 1986. The spokesman said that a cabinet meeting on Wednesday was dominated by the emergency.



AFP

Clyde Lee Conrad, at his sentencing in West Germany to life in jail for spying for the East bloc. Page 8.

General News
An American doctor used a suicide device to help an Alzheimer's patient die. Page 3.

World Cup Finals
João Havelange was re-elected to a fifth four-year term as president of FIFA in a raucous session of the ruling body's congress. Page 21.

Business/Finance
An EC panel said British beef was safe to eat despite Continental bans. Page 15.

Special Report
With the French economy riding high, the trend is to globalization. Pages 9-12.

Crossword Page 21.

Dow Close	The Dollar In New York	
2,911.65	DM	1.6882
Down	Pound	1.6875
13.35	Yen	152.88
	FF	5.6895

5 Senior Communists Detained in Prague

The Associated Press

PRAGUE — Five former leading Communists, including Vasil Bilak, the man suspected of encouraging Soviet troops to invade Czechoslovakia in 1968, have been detained two days ahead of the nation's first free elections since 1946, the state news agency CTK said Wednesday.

The detentions seemed certain to deal another blow to the credibility of the Communist Party, which is running a distant third in opinion polls, before the elections.

Mr. Bilak, 72, is widely despised in Czechoslovakia, where he is rumored to have encouraged the Soviets to invade in 1968 and crush the "Prague Spring" reforms of Alexander Dubcek.

The four other Communists summoned for questioning included Milos Jakes, the party chief ousted in last winter's peaceful revolution, and the former prime minister, Jozef Lenart. Both are widely associated with the purge of half a million party members and the imposition of hard-line Communist rule after the 1968 invasion.

Two more former top party officials, Michal Stefanak and Rudolf Hegenbart, answered summons from police Wednesday, Deputy Interior Minister Andrej Samel said. They were summoned to "clarify their activities related to the 1968 invasion and possibly other criminal activities as well," Mr. Samel said.

As elections near, Prague confronts the lies of the past. Page 2.

State television reported without details that Gustav Husak, Mr. Jakes' predecessor as party chief before being appointed president, also was questioned Wednesday.

The detention and summons appeared timed to satisfy popular demand that Mr. Bilak, Mr. Jakes and others be punished for their part in the 1968 invasion and the 21 years of harsh Communist rule that followed.

Years Catch Up With the Queen on a New Note

By Leigh Bruce
International Herald Tribune

LONDON — A £5 bank note to be issued on Thursday features a new portrait of Queen Elizabeth II looking her age — 64.

The outgoing note was designed 20 years ago and the new portrait was done from recent photographs. On the flip side of the note, a portrait of the railroads pioneer George Stephenson replaces that of the Duke of Wellington.

Britain's tabloid press seems to feel there has been lèse-majesté.

The newspaper Today wrote that the Queen looks like "an aging gran with bulbous nose and double chin."

The Sun claimed the Queen was "shocked by her wrinkly looks" when showed the portrait by the artist, Roger Withington. The Queen is said by the Sun to have then told the artist, "I suppose I am old."

But a Bank of England spokeswoman insisted that "the designer has given no newspaper interviews," adding that the artist would not be available for comment and did not wish his whereabouts to be known. "The portrait was approved by Buckingham Palace," she said.



The Associated Press

The new £5 note, top, with a gracefully aged Queen Elizabeth.

The introduction of the new note, according to a Bank of England spokesman, will take six to 12 months. All bank notes will be replaced over the next four years. The £5 note will be followed next year by a new £20 note.

"We like to keep way ahead in technology and design," the spokesman said. The £5 note will be slightly smaller than its predecessor in order to make it easier to handle and to cut down on production costs, the bank said.

The new notes will also incorporate design features intended to foil counterfeiters. Some of the features can only be detected by special sorting machines or by experts using magnifying equipment.

Ugandan Women Struggle With a New Concept: Wife-Beating Is Wrong

By Jane Perlez
New York Times Service

BUWUNGA, Uganda — The women of the village took a rare break from their afternoon chores, put on their best dresses and walked up to seven miles to come and hear about something revolutionary: women's rights.

Under the shade of an ancient mango tree, Sarah Bagalaaliwo, the chairwoman of the Uganda Association of Women Lawyers, spoke about inheritance rights, property rights and divorce law.

Don't be fooled, she told the crowd of women seated on the grass.

Women can own property. If you inherit land from your father or earn enough to buy some yourself, register it in your own name, not your husband's, she advised.

A husband, she said, may try to take all the household possessions during a divorce or separation.

"He might beat you up, but don't give in," Mrs. Bagalaaliwo said with a bravado acquired from years of being a lawyer and businesswoman in Kampala, the capital. "Fight back."

To this, the women laughed in approval.

On a bench at the edge of the crowd, a group of men who had been invited to sit in smiled nervously.

These are words rarely heard in rural areas of Uganda, where, as in many parts of Africa, 14-year-old girls are married off for a dowry of cattle.

It is the women, not the men, who do the back-breaking physical labor, lugging enormous containers of water on their heads or on their backs, carrying firewood, digging in the fields, cooking and caring for a multitude of children.

In this southern region of Uganda where the Baganda are the dominant people, the submissiveness so common among women is compounded by cultural traditions that dictate that a woman kneel when meeting a man, even her own son.

The plight of African women and their lack of reward for their overwhelming contribution to food production has prompted numerous calls for reform.

Little has changed, but there are signs of new attitudes.

For more than a year, a group from the Uganda Association of Women Lawyers has been trying to inform women in the countryside, where 80 percent of Ugandans live, life doesn't have to be this way.

The government of President Yoweri Museveni, struggling to rebuild the war-ravaged country after 20 years of brutality, is one of the most progressive on the continent on the subject of women.

Each of the 34 parliamentary districts has an at-large seat reserved for a woman.

Women are members of the cabinet, and the ministry of agriculture, one of the most vital posts, is held a woman.

But in a male-dominated society where polygamy is common, Mr. Museveni's sentiments are difficult to translate on a broad scale.

Thus, the Lawyers Association has found it necessary to publish a leaflet entitled "Wife-Beating Is Against the Law."

The leaflet warns women not to believe it is part of Ugandan custom to accept a beating.

It tries to demolish the idea, prevalent among some women, that a woman is beaten as a sign of love.

"In traditional societies a woman was treated with great respect and beating a woman was despised," the leaflet says.

Reflecting the devastation that AIDS is causing in Uganda, particularly in this southern district of Masaka, where Buwunga is located, many of the questions at the lawyers' meetings are about the social consequences of the disease.

Indeed, the local women explained, the turnout at the meeting under the tree was low because many women were attending one of the half-dozen funerals held that day, and most days, for AIDS victims in the area.

"If you advise your husband to use a condom, he may beat you and send you away," a rural woman asked. "Where do you go?"

"Take life into your own hands," a lawyer,

See FIGHT, Page 8

As Free Elections Near, Prague Confronts Lies of the Past

By Henry Kamm
New York Times Service

PRAGUE — More than any political rally in these final days before Friday's first free elections in 42 years, a dramatic exhibition in the center of the capital is stirring Czechoslovaks to political debate and reflection.

Along Na Prikope, a principal avenue of shops, cafés and office buildings, and in a former monastery turned into a museum on Republic Square, where the avenue ends, the people of Prague are being confronted with their nation's past.

They do not seem to be able to get enough of it.

There is a virtually permanent waiting line before the museum, which is open from 10 A.M. to 10 P.M.

Dismantled steel tank obstacles removed from what were until recently heavily fortified borders keep the crowds in line.

People stand before the exhibits, laugh, shake their heads in wonder or look glumly at an assemblage of political artifacts of seven decades of troubled history.

The exhibition is titled "Where Is My Home?" — the first line of the national anthem.

The name is meant to confront Czechs and Slovaks with the question of what they really know of their history after 42 years in which they were taught only the Communist version.

It was organized by Civic Forum, the mass organization that brought down Communist rule in November, the Culture Ministry and the European Culture Club, a private group.

Although the exhibition contains material covering the republic's two decades of freedom after its founding in 1918 and the six painful years of German occupation, the Communist decades form the bulk and the main focus of the display.

Mounted on red cloth around columns are nothing but facsimiles of documents — posters, newspaper articles and portraits.

With minimal commentary, the organizers have presented the panoply of lies, now acknowledged as such, with which the Communists clothed their regime.

Front pages of Rude Pravo, the party newspaper, depict the Communists' seizure of power in a Soviet-sponsored 1948 coup as a spontaneous popular rising.

The subsequent imprisonment of all political opponents and the repression and expropriation against people deemed members of the "oppressor" class are pronounced acts of "revolutionary justice."

When the Communists, at Stalin's orders, turned on their own and sent to the gallows Rudolf Slansky, their general secretary, and many of his companions, the doomed men are described as "Western spies" and "Zionist agents."

The litany of lies continues through professions of adulation for Stalin and Klement Gottwald, his Czechoslovak puppet, and national mourning at their deaths.

The lies portray the Prague Spring of 1968 as manipulation by the West and its suppression by a Soviet-led invasion as "fraternal assistance" requested by the people.

Inside the museum, visitors must pass through a barrier of effigies of the old leadership's helmeted, shield- and truncheon-bearing political police, to inspect the devices by which they were spied upon.

There, they can view videos of Gustav Husak, the Communist leader during the 21 years of "normalization" that undid the liberalization of 1968, and his police in action against dissidents.

Laughter or gestures of disbelief are the most common reaction at the lavish praise of Stalin or Gotwald, the Socialist Realist posters that urged people to love their rulers or the emphatic professions of admiration with which some Czechoslovaks greeted everything coming from the Soviet Union.

"I'm here for the third time, and I still think it's crazy," said Hana Nalatova, a 34-year-old television costume maker, as she inspected a column of articles and posters in praise of Stalin while her husband photographed it.

"We didn't know many things. Of course I knew this existed, but on such a scale!"

"It's terrible what we are seeing here, but the results are wonderful. It's a cross section of our history."

Clusters of viewers laugh aloud at the unintended meaning of a 1981 quotation by Mr. Husak, "The 1980s will not be easy."

Laughter also greets facsimiles of earlier election results, in which the government never got less than 92 percent of the vote, and peaked at 99.97 percent.

No single set of posters and articles evokes more derision than mementos of a 1950s campaign accusing U.S. secret agencies of infesting Czechoslovakia with the Colorado beetle, which was said to have destroyed the potato crop in this potato-loving country.

"Of course I didn't believe it," said Eliska Mattauschova, an agricultural engineer.

The organizers have allotted a booth in the museum to each of the 22 competing parties for them to campaign among prospective voters.

The Communist booth stands empty, except for posters.

The party withdrew its campaigners shortly after the exhibition opened on May 5 because the questions they had to field were too hostile, said Jakuv Mejdricky, deputy director of the show.

Israel Lets Palestinians Stay In West Bank Without Permit

The Associated Press

JERUSALEM — The Israeli government says it will no longer expel Palestinians living in the occupied West Bank and Gaza Strip who lack residence permits, a practice that caused deep resentment because it separated families.

The announcement by the State Attorney's office on Tuesday prompted the Supreme Court to reject an appeal by 15 Palestinians who had been separated from family members by the practice. The appeal was rejected on the grounds the policy had been changed.

The State Attorney's office said Arabs living in the occupied lands would from now on be allowed to ask for resident status for members of their families.

These members would be allowed to live in the territories unless there was a "specific negative security reason" to deny the request, the national news agency ITIM said.

Palestinians without residence permits would have the status of "visitors" and would be allowed to reside permanently with their families. They would also be allowed to apply for permanent status.

In January, the U.S. State Department expressed concern over the expulsions. Defense Minister Yitzhak Rabin immediately ordered a temporary halt to the practice and promised to review it.

Foreign Minister Moshe Arens said Wednesday that U.S. credibility was being "put to the test" after Israel offered proof that the Palestine Liberation Organization had broken its promise to desist from terrorism.

Mr. Arens made the statement in a speech to the Knesset, Israel's parliament, renewing Israel's demand that the United States cancel its dialogue with the PLO.

The foreign minister also attacked European countries for criticizing Israel, noting that Jews had a "tragic history" in Europe and adding that the Jewish state did not need to be prodded to make peace.

Replying to Soviet threats to curtail Jewish emigration unless Israel blocks settlement of Soviet Jews in the occupied territories, Mr. Arens said the number of Soviet immigrants moving there was "minuscule, a fraction of a percent."

Iran Holds Out Hope of Iraq Peace

Reuters

TEHRAN — President Hashemi Rafsanjani of Iran held out hopes Wednesday for peace with Iraq and an end to tense relations with Britain and Saudi Arabia.

But he attacked the United States for what he said was its irresponsible, arrogant attitudes and actions that made Iran's efforts to end the Lebanon hostage crisis more difficult.

"The way is now open for the United States to act, if they want to solve the hostage problem," Mr. Rafsanjani said at a news conference.

He held out hope for an eventual peace with Iraq. But he said Iran was cautious over the motives of the Iraqi president, Saddam Hussein, who has sent two letters to Tehran suggesting a summit meeting.

"We have not given a negative reply to Iraq's proposal," Mr. Rafsanjani said.

He added that experts from both countries should first work out details in coordination with the United Nations, which sponsored the August 1988 cease-fire that halted the eight-year Gulf War.

Since the Iraqi letters were sent, an Arab summit meeting in Baghdad backed Iraq's claim to the Shatt-al-Arab border river, which was one of the sparks that set off the war.

"When Iraq sent the letters, we were hopeful that Saddam Hussein had serious intentions," Mr. Rafsanjani said. "But what he did at the Baghdad summit shook our confidence."

The Iranian president reiterated that Tehran wanted to resume relations with Britain, broken in March last year after the late Ayatollah Ruhollah Khomeini ordered Muslims to kill Salman Rushdie, the British author, for blaspheming Islam in his book "The Satanic Verses".

But he said the death sentence had been passed under sacred Islamic law and could not be lifted.

Iran has been trying to separate what it sees as a political problem from the religious matter of the death order. It has said it would be satisfied on a political level if Britain condemned the insult to Islam as Iran's parliament had demanded.

The British prime minister, Margaret Thatcher, said Tuesday that Britain was concerned over insults to Islam, just as it was concerned over insults to Christianity.

Turning to Saudi Arabia, which broke relations with Iran in 1988 over a dispute about Iranian pilgrims in Mecca, he said he did not expect any progress this year but hoped direct and indirect talks with Riyadh would solve the problem next year.

Soviets Upset Tokyo Flights

Reuters

TOKYO — Commercial flights over the Soviet Union out of Tokyo were disrupted Wednesday after Soviet authorities told airlines to reroute all planes "for technical reasons," an air control official said.

Airline and Transport Ministry officials said the notice would affect all flights out of Tokyo from 2 P.M to midnight on Wednesday.

The Narita air control official said he had no idea what had prompted the overflight ban. The Japanese Foreign Ministry said it had not been alerted by Moscow of any hijack or other emergency.

A spokesman for Japan Air Lines said his airline receives such instructions about twice a year from Soviet aviation authorities. "It's not unusual," said a spokesman. "We get this type of request when the Soviets are planning a military exercise in this part of the world."

One British Airways flight to Moscow and London due to leave in the early afternoon was postponed until Thursday. A second British Airways flight, due to fly from Tokyo to London direct over Siberia, was delayed after being rerouted via Anchorage, Alaska, a Narita official said.



Valery Hache/Reuters

D-Day and Eisenhower Remembered

John Sheldon Eisenhower, the son of the late Dwight D. Eisenhower, after planting an oak sapling Wednesday at the American military cemetery in Colleville, France, during ceremonies marking the June 6, 1944, invasion of Normandy. The ceremonies included remembrances of Eisenhower, the supreme commander of the Allies in World War II, because 1990 is the centennial of his birth.

Vote Won, Referendum Lost

Low Turnout in Italy Voids Results on Ecology Issues

By Clyde Haberman
New York Times Service

ROME — How do you win more than 90 percent of the vote and still lose the election?

Italian environmentalists are puzzling over that question after voters passed three referendum propositions that would have effectively banned hunting and greatly restricted the use of pesticides in farming.

Each referendum proposal passed with a 92 percent majority or more. But Italy's increasingly active Greens ended up the losers in the balloting, held Sunday and Monday, because a record low turnout nullified the results.

Only 43 percent of nearly 47 million registered voters in Italy went to the polls, falling well short of the more than 50 percent required for the results to be valid.

It was the first time since World War II that any national proposition had been invalidated by a weak turnout, and the results raised questions about the future for such tests of the popular mood.

Referendums have been responsible for some of Italy's most important postwar changes, including wrenching campaigns in the 1970s that introduced legal divorces and abortions into this Roman Catholic center.

The flexing of political power through abstention was precisely what the hunting and agricultural lobbies had hoped for, and they celebrated their victory as a sign that "good sense and reason" had prevailed.

Having recognized that they could not defeat the environmentalists in a head-on battle in which the majority ruled, the lobbyists waged a hard campaign to persuade Italians to exercise their right not to vote. The strategy worked, and the Greens acknowledged that they had underestimated their opponents, whose numbers included groups representing 1.5 million licensed hunters, an important force in a country where blood sports are an old tradition.

"We feel like a boxer who entered the ring to fight an opponent who preferred to hide," said Fulco Pratesi, the president of Italy's World Wildlife Fund. "But instead of winning because the other fellow threw in the towel, we find ourselves declared the loser."

It did not help the environmentalists that their three referendums were numbingly complicated, running in one instance to more than 800 words printed in minuscule type and studded with references to 34 articles, clauses and subsections of existing statutes.

Many dazed voters said they simply could not understand the ballot.

Two propositions dealt with hunting: one that essentially would have banned the practice until Parliament passed a more restrictive law, and one that would have repealed a law allowing licensed hunters to chase their prey onto private property.

The third referendum would have scrapped an already fairly tough law governing pesticide use, thereby forcing Parliament to enact even more restrictive measures. Farmers' associations worked especially hard to defeat that one, fearing that without easy access to pesticides they would become less competitive in the European Community.

Despite the apparent setback for the Greens, whose share of the popular vote grew steadily in the late 1980s, some political commentators cautioned against reading the results as a slap at ecological interests. Rather, they argued, voters rebelled against using propositions on complex matters that many feel are better left to legislators.

This certainly was the attitude taken by major political parties, including the Christian Democrats and smaller conservative groups that help sustain its ruling coalition. Those politicians showed little enthusiasm for an electoral device that would have taken away some of their decision-making powers.

For the most part, the referendums were actively supported only by the Communists and other left-of-center parties.

The Christian Democrats took what some called an "agnostic" view, which holds that individual voters should decide for themselves whether to go to the polls. The practical effect, some politicians said, was to tell people that it was all right to stay home.

Tougher hunting and pesticide laws may be written anyway; they are already under discussion in the Parliament.

But given the need for broad consensus in a country where no single party can get a legislative majority, the results are likely to be watered-down versions of what might have been possible had the referendums passed.

Rebels Advance on Liberia Airport

Compiled by Our Staff From Dispatches

BUCHANAN, Liberia — Liberian rebels seeking to oust President Samuel K. Doe said Wednesday they controlled main towns near Roberts Field, the country's only international airport, 55 kilometers (35 miles) east of the capital Monrovia.

National Patriotic Front rebel leaders told Agence France-Presse at this port city 145 kilometers east of the capital that they have captured Harbel, Owens Grove and the large rubber plantation next to the airport.

U.S. officials in Washington late Tuesday said Liberian government troops had lost control of Owens Grove but had repelled an attack on Roberts Field, where as of Sunday all commercial airlines had suspended their flights.

Rebels also said Elmer Johnson, a military adviser to rebel chief Charles Taylor, was reported missing and feared dead after a clash with government troops on Monday near Buchanan.

Liberia's information ministry said that troops had killed Mr. Johnson, 33. Mr. Johnson, a Liberian, served as a sergeant in the U.S. Army and took part in the U.S. invasion of Grenada in 1982 before becoming chief military advisor to Mr. Taylor.

Rebels have recovered the bodies of two of Mr. Johnson's bodyguards and found his identification papers and gun in a captured army truck. Rebel troops credited Mr. Johnson with holding the rebel force together and instilling discipline in the field as well as attempting to stop looting by rebel troops.

The rebels made "friendly" contact with the U.S. management of the rubber plantation, the largest in the world, a mile from the airport, residents and rebels said.

(AFP, UPI)

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WORLD BRIEFS

Beijing Releases 97 More Protesters In Move Seen as Gesture to the West

BEIJING (NYT) — China Wednesday announced the release of 97 people who had been involved in last year's pro-democracy movement, including two student leaders, in a move that diplomats described as an attempt to ease domestic tensions and win favor in Western countries.

The announcement came two days after the anniversary of the military crackdown on the movement, and some diplomats said it reflected a mild reduction in tensions now that the government does not have to worry about protests on the anniversaries of last year's key protest dates.

China said that 76 prisoners were released in Beijing, while 21, including a Hong Kong student, were released in Shanghai. Among others released was Zhou Fengsuo, 23, who ranked fifth on a wanted list of 21 student leaders publicized by the government last June. Xiong Wei, 24, who had ranked No. 20 on the list, was also released, officials said.

The total officially released in the last six months is now 881, but it is unclear how many remain behind bars. In mid-May, when it released 211 prisoners, China said that only 431 were still "under investigation." After Wednesday's announcement, that would leave 334 people in detention, according to the government figures. But most Western diplomats say that there are probably more than a few hundred being held.

Neo-Nazis Vandalize French School

GIEN, France — Human skulls and bones smeared with blood, along with several portraits of Hitler, were found by children returning to school after the Pentecost break, police in this central French town said Wednesday.

The walls were daubed with swastikas, Stars of David and slogans in German such as "Arbeit Macht Frei" (freedom through labor), which was one of the inscriptions at the entrance to the Nazi extermination camp at Anschwitz.

In recent weeks several incidents bearing the marks of Nazism and aimed against Jews have occurred in France. The most notable was the desecration of 34 graves at a Jewish cemetery at Carpentras, in the South, during the night of May 9.

France Seeks Ban on Cigarette Ads

PARIS (Reuters) — The government approved on Wednesday a draft law banning cigarette advertisements and restricting commercials for all but the weakest alcoholic drinks. The cabinet also threw its support behind a proposed 15 percent increase in tobacco prices to check mounting smoking-related deaths, a spokesman said.

"The premature death of 100,000 persons each year due to tobacco use and excessive consumption of alcohol represents an intolerable human, social and economic cost that hits the most disadvantaged social categories," a cabinet statement said.

The measures, which would take effect in 1993 and would include curbs on smoking in public places, must be approved by Parliament before becoming law, but the government has a majority there. Together, tobacco and alcohol account for 20 percent of deaths in France. The French smoke an average of 4.6 cigarettes per person per day, compared to 7.7 in Greece, 6.2 in the United States, 5.2 in West Germany and 4.6 in Italy.

Pakistan Wants Talks on Kashmir

ISLAMABAD, Pakistan (Reuters) — The government has decided to respond positively to Indian proposals on reducing the threat of a war over the disputed region of Kashmir, and it will urge New Delhi to open talks, according to a government official.

Pakistan has told Indian diplomats in Islamabad that it is ready for talks. The official said Wednesday, "We would like to have a commencement of talks on these proposals, although we have our reservations on the contents because they do not address the central issue of Kashmir."

The contents of the Indian proposals have not been made public. India and Pakistan have moved troops near the border in the past few weeks. There were fears that the two countries could go to war over a Muslim secessionist uprising in the Indian-ruled part of Kashmir. The northern Indian region is in the state of Jammu and Kashmir, and it is India's only Muslim majority state.

Gunmen Kill 14 in Karachi Ambush

KARACHI, Pakistan (AP) — Masked gunmen ambushed a bus carrying workers on Wednesday, killing 14 persons and injuring 10 in renewed ethnic violence in Prime Minister Benazir Bhutto's home province of Sind.

The attack, which shattered five days of calm in Karachi, Pakistan's largest city, occurred shortly before the opening of a peace conference of 25 political parties and ethnic groups, seeking ways to end the violence in Sind Province. The violence has claimed more than 400 lives in the past month.

But the Mohajir Qami Movement, a party representing Muslim immigrants from India who were blamed for the violence, refused to attend. Witnesses said the gunmen forced the bus to stop, ordered the passengers off and asked them their nationalities. "Those who said they were Mohajir were shot," a witness said.

Corrections

A New York Times News Service article in Wednesday's editions about an American assessment of Soviet arms omitted a phrase in describing the report's conclusions. The assessment said that by the turn of the century the Soviet Union would have about 2,300 weapons carried by bombers, not that the Soviet Union would have 2,300 bombers.

An article on May 29 contained an error about Bank of Tokyo's group net profit for the financial year that ended March 31. Profit rose 29 percent to 78.59 billion yen.

TRAVEL UPDATE

United Airlines is seeking Australian government approval for daily flights to Tokyo as part of a Sydney-New York route, the U.S. airline says. The Sydney-Tokyo flight would connect with existing nonstop Tokyo-New York service, United's chairman, Stephen Wolf, said. *(AFP)*

Trains stopped, and flights were disrupted in Greece on Wednesday as more than a million workers joined a 24-hour nationwide strike to protest economic austerity measures. *(Reuters)*

The West German airline Lufthansa and the East German airline Interflug agreed to increase the number of weekly flights between the two Germanys from 31 to 56 after the introduction of an economic, currency and social union between the two countries on July 1, Lufthansa said in a statement issued in Bonn on Wednesday. *(UPI)*

Air traffic was seriously affected in Belgium on Wednesday, the third day of an intermittent strike by Belgian air-traffic controllers demanding staff increases and higher pay, a Brussels airport official reported. Airlines have been forced to cancel flights, mainly on short European distances, but long-distances flights also have been affected. *(AP)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	17	63	12	54	cl
Athens	—	—	—	—	no
Barcelona	28	82	14	57	fr
Belgrade	26	79	13	55	fr
Berlin	19	66	10	50	c
Brussels	17	63	12	54	c
Budapest	20	68	14	57	c
Copenhagen	19	66	12	54	c
Costa Del Sol	24	75	18	64	fr
Dublin	13	55	7	45	r
Edinburgh	12	54	4	39	r
Faro	24	75	16	61	fr
Florence	19	66	12	54	fr
Frankfurt	18	64	12	54	c
Geneva	15	59	11	52	c
Helsinki	17	63	10	50	fr
Las Palmas	23	73	18	64	cl
Lisbon	22	72	15	59	fr
London	17	63	10	50	c
Luxembourg	15	59	10	50	c
Madrid	22	72	10	50	fr
Milan	19	66	14	57	c
Moscow	15	59	13	55	sh
Munich	18	64	10	50	r
Nice	22	72	17	63	fr
Oslo	21	70	12	54	c
Paris	18	64	12	54	c
Prague	18	64	6	43	c
Reykjavik	8	46	7	45	c
Rome	23	73	17	63	c
Stockholm	15	59	6	43	c
Strasbourg	16	61	12	54	c
Venice	19	66	17	63	c
Vienna	18	64	12	54	c
Warsaw	18	68	11	52	c
Zurich	15	59	11	52	c
MIDDLE EAST					
Astana	—	—	—	—	no
Cairo	—	—	—	—	no
Istanbul	—	—	—	—	no
Jerusalem	25	77	11	52	fr
Tel Aviv	27	81	14	57	fr
OCEANIA					
Auckland	—	—	—	—	no
Sydney	17	63	11	52	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	28	82	t
Beijing	29	84	19	66	t
Hong Kong	28	82	25	77	sh
Manila	34	93	24	75	t
New Delhi	41	106	28	82	t
Seoul	31	88	17	63	t
Shanghai	29	84	19	66	t
Singapore	32	90	25	77	t
Taipei	30	86	24	75	t
Tokyo	26	79	16	61	t
AFRICA					
Algiers	—	—	—	—	no
Cape Town	15	59	8	46	sh
Casablanca	22	72	18	64	t
Harare	21	70	16	61	t
Lagos	31	88	27	81	t
Nairobi	—	—	—	—	no
Tunis	30	86	19	66	t
LATIN AMERICA					
Buenos Aires	10	50	8	46	sh
Lima	19	66	17	63	fr
Mexico City	26	79	14	61	t
Rio de Janeiro	30	86	23	73	t
NORTH AMERICA					
Anchorage	17	63	10	50	fr
Atlanta	22	72	21	70	sh
Boston	23	77	16	61	t
Chicago	27	81	13	55	t
Denver	30	86	12	54	t
Detroit	24	75	14	57	t
Honolulu	31	88	25	77	t
Houston	35	95	22	72	t
Los Angeles	27	81	19	66	t
Miami	34	93	25	77	t
Minneapolis	28	82	19	66	t
Montreal	29	84	12	54	t
Nassau	31	88	25	77	t
New York	26	79	17	63	t
Phoenix	44	111	27	81	t
San Francisco	20	68	12	54	fr
Seattle	17	63	10	50	fr
Toronto	22	72	12	54	t
Washington	29	84	20	68	t

cl-cloudy; fe-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Rain. Temp. 16—11 (61—52). FRANKFURT: Rain. Temp. 16—10 (61—50). LONDON: Cloudy. Temp. 19—11 (66—52). MADRID: Fair. Temp. 29—13 (84—55). NEW YORK: Fair. Temp. 27—16 (81—61). PARIS: Showers. Temp. 17—12 (63—54). ROME: Showers. Temp. 25—16 (77—61). TEL AVIV: Not Available. ZURICH: Cloudy. Temp. 19—9 (66—48). BANGKOK: Showers. Temp. 34—27 (93—81). HONG KONG: Cloudy. Temp. 29—26 (84—79). MANILA: Cloudy. Temp. 34—25 (93—77). SEOUL: Fair. Temp. 26—24 (82—75). SINGAPORE: Fair. Temp. 29—25 (84—77). TOKYO: Partly cloudy. Temp. 27—18 (81—64).

U.S. Doctor Uses His Suicide Device to Help Alzheimer's Patient Die

By Lisa Belkin
New York Times Service

NEW YORK — A doctor in a suburb of Detroit says he connected a woman suffering from Alzheimer's disease to a homemade suicide device and watched as she pushed a button and died.

The doctor, Dr. Jack Kevorkian, said in a telephone interview that this was the first time he had used his invention, which he unveiled last fall in a series of newspaper interviews around the country.

He said that Janet Adkins, who lived in Portland, Oregon, had contacted him as a result of the publicity and that he first met her last weekend at a restaurant near his home in Holly, Michigan. He said he explained the procedure to her and decided she was alert enough to understand.

In Portland, Mrs. Adkins's family made public a suicide note at a news conference on Tuesday night. Mrs. Adkins, who died Monday, said she realized she had Alzheimer's disease and she did not "want to let it progress any further" nor to "put my family or myself through the agony of this terrible disease."

Her husband, Ronald Adkins, said his wife had been a strong believer in the view that people had a right to take their own lives.

"This is a very special woman," he said. "She loved life. She was upset because she was losing her mind, and her mind was everything to her.

"She made that decision based upon the fact that the things she loved most — reading, literature, music and all that — she couldn't do anymore."

[Interviewed Wednesday on ABC television, Dr. Kevorkian said he had many potential patients, The Associated Press reported.

"I've been contacted by many patients in about 25 or 30 states, patients as far as England, Hawaii," he said. "But I can't help patients in other states, because it's illegal in most of those states. It's a felony. And I can't take the drugs across state lines. So I'm confined to working in Michigan."]

Dr. Kevorkian, a longtime advocate of euthanasia and other unconventional views, said he took the action, in part, to force the medical and legal establishment to consider his ideas. He said he knew he might face arrest.

"They'll all be after me for this," he said. "My ultimate aim is to make euthanasia a positive experience. I'm trying to knock the medical profession into accepting its responsibilities, and those responsibilities include assisting their patients with death."

Word of Mrs. Adkins's death, which the doctor said took less than six minutes, alarmed many experts in medical ethics and confused many legal experts. The case raises the specific legal question of what constitutes assisted suicide and the more general philosophical question of what role, if any, doctors should play in helping seriously ill patients to die.

Richard Thompson, the prosecutor of Oakland County, Michigan, said Tuesday that no criminal charges had been filed.



The Associated Press

Dr. Jack Kevorkian with his homemade suicide device, which he said he used on Janet Adkins, allowing her to push a button and die.

"We're still in the early stages of our investigation," he said. "We won't make any decision until the Michigan state police and the medical examiner have completed their investigations."

He said he would ask for a court order to prohibit the use of the machine.

Experts in right-to-die cases said virtually no states allowed a person to assist another in committing suicide. But prosecutors in the Detroit area said Michigan law was murky on the subject.

"In most cases, it's against the law to assist," said Julie Perlman, the executive officer of the American Association of Suicidology, a group of medical and social experts on suicide and suicide prevention.

The experts said it appeared that the reason Mrs. Adkins, 54, an English teacher, traveled to Michigan to end her life is that it is the one state whose statute on the issue is viewed by some legal experts as open to interpretation.

Dr. Kevorkian said he had not committed murder because the patient, not the doctor, administered the fatal medication.

He said he had inserted an intravenous tube into Mrs. Adkins's arm and dripped harmless saline solution through it. Mrs. Adkins then pressed a button that stopped the saline and replaced it with sodium thiopental, which causes unconsciousness, he said.

After a minute, the machine switched solutions yet again, to potassium chloride, which stops the heart and brings death within minutes.

He said Mrs. Adkins "had a wonderful life, a good life, but she was slipping from an incurable disease and she didn't want to suffer."

Just before she died, he said, "She looked at me with grateful eyes and said, 'Thank you, thank you, thank you.'"

Many students of medical ethics draw a line between withdrawing care, such as a feeding tube or a ventilator, and actively giving the patient something that will cause death.

"You can refuse treatment," said Rose Gasner, the legal director for the Society for the Right to Die, "but, under the law, you can't say, 'Kill me.'"

Yet doctors and others concerned with ethics acknowledge that the line is nudged every day, with doctors granting patients' requests by unofficially providing the means to kill themselves.

"It's not uncommon for physicians of cancer patients to say, 'Here's some medication and make sure you don't take more than 22 pills because 22 pills will kill you,'" said Judith W. Ross, a professor of medical ethics at the University of California at Los Angeles.

But Dr. Kevorkian's machine, she said, goes far beyond nudging the line.

"Killing patients is not a good activity for doctors to be engaged in," she said. "Even if society wants something like this done — and it's not clear that they do — someone other than doctors should do it.

"If doctors do it, it sends a really problematic message to patients: 'Do you know what your doctor's up to?'"

Dr. Kevorkian said the existence of his machine would not encourage people to commit suicide.

"They already do that," he said. "They jump out of buildings, they blow their brains out, they drink lye. Is that better?"

Some experts also raised questions about whether Mrs. Adkins was competent to make the decision, particularly since she had Alzheimer's disease, which causes memory loss and confusion.

This is not the first time Dr. Kevorkian, a retired pathologist, has clashed with the medical profession. While in medical school at the University of Michigan, he said, he was told he would have to leave if he did not back away from a proposal he made that Death Row prisoners be made permanently unconscious and used for medical experiments.

Most recently, he has advocated the use of Death Row prisoners as organ donors, to be executed under circumstances that would permit immediate use of their organs.

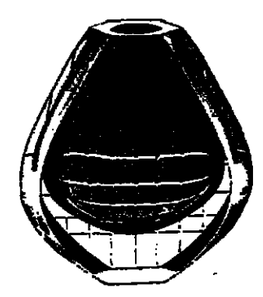


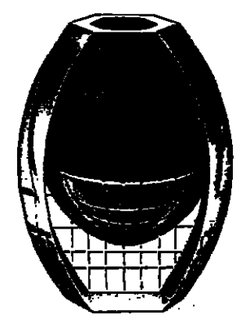
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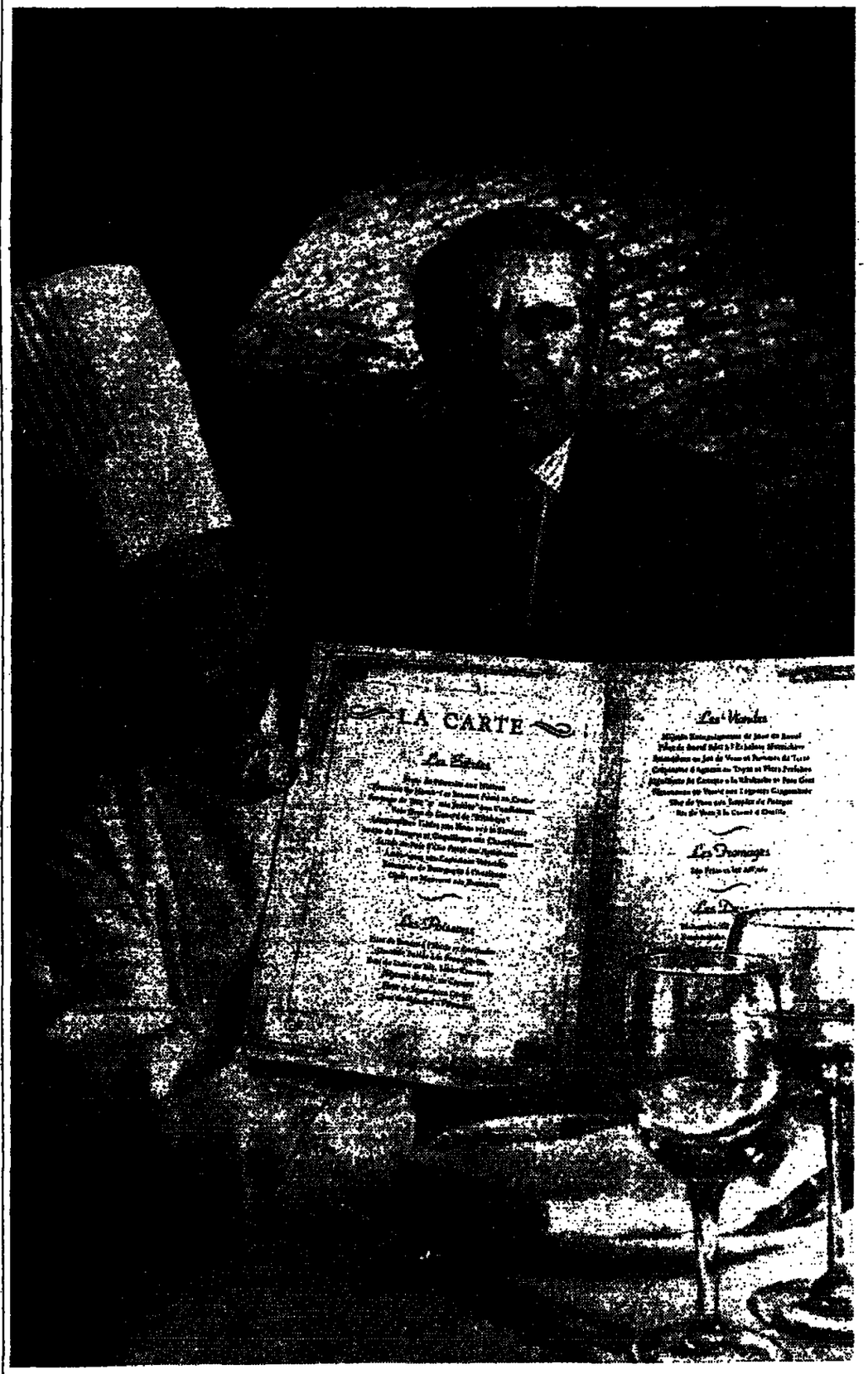


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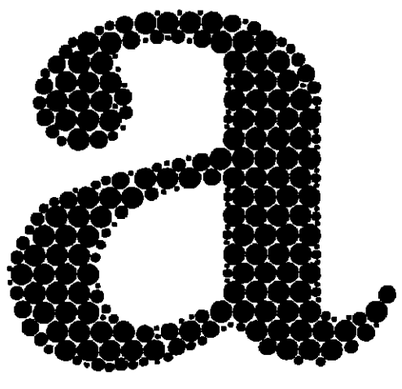
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Seoul and Moscow

A Task for Koreans

Mikhail Gorbachev's invitation of South Korean President Roh Tae Woo to San Francisco dramatizes a Moscow-Seoul warming that holds the potential to extend detente from Europe into Asia and eventually to reunify Korea.

Two huge armies face each other across a tense line in Korea, which, of the four countries left divided by World War II, remains the one that could explode (again) in war. To ease the conflict somewhat, the United States, while staying faithful to its longtime ally South Korea, has edged into a limited formal dialogue with Moscow's and Beijing's ally, the hermit state of Communist North Korea. Meanwhile, the Soviet Union has also crossed alliance lines, increasing contacts with the South by trade, by participation in the 1988 Seoul Olympics and now by a nimble political initiative promising the establishment of formal ties. The sequence gives Moscow and Seoul a far closer and more conspicuous connection than Washington and Pyongyang, North Korea's capital, and may stimulate some competitive diplomacy in return.

As welcome as such exchanges are, more is required to bring the Korean Peninsula peace and security. Right off, the Soviets need to begin matching Washington's careful military retrenchment in South Korea with a similar retrenchment in North Korea; the two big powers together should see to a controlled military stand-down. North Korea's other nearby patron, China, which has been widening its own links to Seoul, must naturally be consulted on a Korean settlement. Japan, economic powerhouse of East Asia, also has to be drawn in.

A Korean settlement, of course, cannot be imposed from outside. It can only arise *from negotiations among Koreans.* South Korea, its longing for reunification tempered by deep and well-justified suspicion of Northern treachery, has nonetheless devised an American-encouraged "North policy" of economic and political outreach to the divided country's other half, and especially to the other half's patrons and friends. North Korea has remained largely defiant and inflexible, and it has seemed *that it would stay so at least as long as Kim* Il Sung is in charge — unless the North's 78-year-old Stalinist dictator draws the proper conclusion from the Gorbachev-Roh breakthrough and decides that his *country must adjust to new times, too.*

That is the key to peace in Korea — and it is also a long shot.

— THE WASHINGTON POST.

A Meeting for Peace

There is far more than post-Cold War symbolism in the courtship between Moscow and Seoul, further nurtured by Monday's meeting of Mikhail Gorbachev and Roh Tae Woo in San Francisco. A consummated relationship could bring real gains to both countries. America, too, would benefit from a wider peace in Northeast Asia.

South Korea was born anti-Communist when the Korean Peninsula was partitioned along ideological lines after World War II. It fought a bitter war against Soviet- and Chinese-backed invaders from the North, succeeded by a tense and dangerous armed peace. But under President Roh, a newly confident and economically successful South Korea has reached out to former foes. Moscow and Beijing both came to the 1988 Seoul Olympics. South Korea opened embassies in Eastern Europe even before communism's collapse.

Diplomatic ties with Moscow remain at the consular level for now, but economic relations are booming. Bilateral trade doubled last year to $600 million. The Soviets seek further trade growth, especially in low-cost imports of Korean ships, vehicles and machinery. Moscow also hopes for Korean loans and investments in Siberian development. This in turn could entice investment from Japan, to prevent South Korea from locking in a head start.

South Korea's anticipated gains are mostly political. Mr. Roh is eager to defuse the danger from the North. If he can persuade Moscow and perhaps Beijing to press moderation on Kim Il Sung, South Korea can have greater security at lower cost. A peace dividend would release funds to respond to the social demands that democracy has awakened. Achieving full relations with Moscow and détente with Pyongyang could also brighten South Korea's political mood. President Roh's standing has abruptly declined in recent months amid political maneuvers, strikes and crude repression.

Washington can only gain from a relationship that promotes Soviet economic reform and reinforces South Korean security. A warmer strategic climate would also allow further American troop withdrawals.

For years, South Korean nationalists have demonized Washington as the main obstacle to better North-South Korean ties. By meeting Mr. Gorbachev on U.S. soil, Mr. Roh refutes their argument while honoring their goal.

— THE NEW YORK TIMES.

Help Eastern Europe

In Poland the standard of living fell throughout the 1980s. In some of the other East European countries it may have risen slightly, but not enough to acquit their Communist governments of the charge of incompetence. The sense of economic crisis has been a powerful force in the revolutions of the past year. The democrats now taking office know that to make their countries work better in the long term, they have to go ahead with reforms that will hurt in the short term.

The CIA recently offered the Joint Economic Committee of Congress its view of this process and came to the right point. Deepening austerity risks public resistance and protest that can block these desperately necessary reforms. In the immediate future, the CIA suggested, economies may well perform most badly in those countries — Poland, Hungary, Yugoslavia — that are pushing reform hardest.

During the past year the West has come to realize how far the reforms are going to have to go. The CIA study estimates that 40 percent of the firms in Poland and Yugoslavia will fail if direct state aid is cut off. Because of the severe housing shortages, workers cannot easily leave the mill towns in search of new jobs elsewhere. That raises once again the question: Is the West doing enough to help these new democracies? The answer is that the West has done some useful things, but not nearly enough so far.

Jeffrey Sachs of Harvard, who has been working as a consultant to the Polish and Yugoslav governments, offered the Joint Committee a short list of immediate needs. The East Europeans need financial support for their currencies to enable them to open their markets and trade with the West. On that, the West and specifically the United States have given at least Poland valuable help. East Europeans also urgently need technological help — not only in engineering and manufacturing but also in design and marketing to enable them to take advantage of their access to Western markets.

And then there are Eastern Europe's foreign debts, regarding which Mr. Sachs has been carrying on a crusade for some time. Through the Brady plan, the rich countries have begun to provide a measure of debt relief to the poor countries — mostly in Latin America — that owe billions to the commercial banks. But the Brady plan does not help the East Europeans. Most of their debt is owed directly to the governments of the rich countries, which, as Mr. Sachs observes, have declined to apply to themselves *the same rule of forgiveness that they* are urging on the commercial banks. But as an investment in democracy, debt relief promises to pay dividends.

— THE WASHINGTON POST.

Other Comment

A North Korean Opportunity

Being the traditional ally of Pyongyang, Moscow could certainly exercise a great deal of influence. It is believed that Moscow still *has considerable leverage to induce change* in the attitude of Pyongyang. In addition to its inseparable trade relations with Moscow, North Korea is heavily dependent on the Soviet Union for assistance and technology in pushing ahead with its economic and military modernization efforts.

The demand and need for effective dialogue is self-evident to all Koreans on both sides of the Demilitarized Zone. Pyongyang must now stop quibbling and follow the worldwide current of openness and cooperation in an age of new détente between West and East. The opportunity is fleeting for North Korea. Pyongyang must not miss the chance. If it refuses to bend, it is destined to be broken.

— The Korea Herald (Seoul).

No More Grinding of Teeth

The superpowers are now talking business. No longer does one hear the grinding of teeth. But the two leaders have yet to form a *close friendship. Still, they respect one an*other more, to the point that they want to meet regularly, perhaps once a year. That is the most important result of the three days of talks. Humanitarian questions have almost ceased being a matter of disagreement. There has also been a lessening of tension on regional conflicts. The future of détente no longer depends on the situations in Kabul, Managua or even Havana.

— P. Bocev, F. Hauter (Le Figaro, Paris).

The summit did not deliver concrete substantial agreements, merely prospects of better things to come. Deep divisions remain. Time is what Mikhail Gorbachev really needs. But his countrymen are impatient.

— The New Straits Times (Kuala Lumpur).

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OPINION

China's Leaders Can't Arrest the Tide of Democracy

By Gao Xin

Gao Xin, 34, a scholar who was imprisoned for six months after joining a hunger strike at Tiananmen Square in Beijing on June 2, 1989, is one of the few dissidents openly active in China today. This is the second of two articles excerpted from a manifesto he wrote.

SOME people have criticized us, saying that we were still advocating nonviolence when faced with tanks and machine guns and that we "compromised" with the government at the most crucial time, organizing the so-called peaceful withdrawal — a sign of absolute cowardice.

My answer is this: Tanks and machine guns indeed could not stop the people's pursuit of democracy. But bricks, pieces of tile and soda-pop bottles could not help, either.

We were also criticized for being interviewed by reporters from the government's propaganda institutes. Some even think we were forced to be "witnesses" for the government, against ourselves. I have to repeat: We did not see anybody killed during the "clearing of the square" on June 4, between 4 and 5:30 A.M. Nor was there a "river of blood" in the square. We persuaded most of the students and citizens to leave the square.

Just as no one needs to exaggerate, or try to alter the fact that there were huge, bloody confrontations outside the square in other parts of Beijing, it is also a fact that no one was killed in the square.

□

On June 4, early in the morning, two of the army officers in charge of "clearing up the square," by the names of Ji and Gu, told us: "There is only one way the troops will not, by mistake, do any harm to the students in the square while carrying out orders: The students and other people must leave the square unconditionally." They added, "If you could persuade the students to leave, you will be praised." In other words, if we could not succeed in organizing the people in the square to withdraw peacefully, there was bound to be "harm by mistake."

At that most crucial time, we organized the peaceful withdrawal and took away the weapons to prevent unnecessary bloodshed. However, Liu Xiaobo, who ought to be praised, is still in prison. What is awaiting him, we still cannot tell.

The reason I am bringing this up again a year later is to reveal the truth and demand justice. I have always believed that there was nothing wrong about the behavior of the four of us — Liu Xiaobo, Zhou Duo, Hou Dejian and me — on June 4, 1989. We can face our own consciences, our people and our history with absolutely no sense of guilt. And our actions benefited the government.

Everyone in China, including the highest party and national leaders, must learn democracy from the very beginning. Mistakes will be unavoidable.

As for our opposition to the government's decision to declare martial law, and our hunger strike to protest it, public opinion today and the judgment of history tomorrow will decide whether we were right or wrong. Li Peng once said to some foreigners that history would eventually prove that the way they resolved the June 4 incident last year was correct. I would like to wait for the judgment of history, together with Prime Minister Li Peng.

By all means, the "political turmoil" last year needed to be resolved as soon as possible. But was it legitimate to send national defense forces into the city to implement martial law? The People's Republic of China's constitution states: "The armed forces of the PRC belong to the people." Their duty is to protect the motherland and the people.

Granted, there were traffic jams and sanitation problems. But this was not an armed rebellion. If tanks and machine guns have to be used to deal with bricks and bottles, what should be used if some real anti-government force appears in the country? Nuclear bombs?

The fact that the government ordered the troops to open fire shows how weak the policy-making people were when faced with emergency, and how unconfident they are about the stability of their regime.

□

The saddest thing of all about the events of last June is that they pushed so many people to the opposite side, people who had originally been supporters of the government or, at most, had some different viewpoints about certain government measures.

Nearly 10,000 people were killed or wounded during the June 4 incident. It caused tremendous economic losses, and serious confrontation between the masses and the government and its army. Such a heavy price. But, was it really unavoidable?

Li Peng said the following words as late as April 5 of this year: "We cannot look at this issue without taking the historical situation of the time into consideration. Thinking about *these events afterward, maybe we could have* used some other method to resolve it." They nonetheless chose the method of killing people. What could this be other than a mistake?

It is said that Deng Xiaoping has decided not to discuss the June 4 incident for the next three years. I am quite puzzled about this. If the government's decision at the time was correct, there will be no need to discuss it in three years. On the other hand, if the government is not even sure about the correctness of the decision, wouldn't it be good for the sake of the country's political stability to bring it up for discussion as early as possible? Wouldn't it be beneficial for the nation?

I myself truly support the reform and the open-door policies. And I wish the country stability. Everybody should have the same hope. But real stability can be achieved only when government policies and decisions are supported by the people, when the people are allowed to speak out about their different opinions, when the people are given ample rights of democracy and freedom.

I have always believed that there is no political party in China that can compete with the Communist Party, let alone replace or overthrow it. I joined the party 15 years ago, when I was 20 years old. After June 4 last year, I was imprisoned for half a year. But during the six months, I always entrusted others to turn in my fee to the party. After my release, although I have no income, I still turn in my party fee every month. This can be called "devout." The party committee at Beijing Normal University so far has not made any decision regarding my case. I can do nothing but wait. But for how long?

I never intended to become involved in politics. I went to Tiananmen Square last year because I had some objection to the policies of the government. After my release, some foreign reporters asked what I was thinking about. My answer was: I am still convinced that opposition to all forms of violence is a correct and righteous standpoint.

Our June 2 Hunger Strike Declaration said: "We must recognize that democratic rule, to every Chinese person, is unfamiliar." Everyone in China, including the highest party and national leaders, must learn democracy from the very beginning. Mistakes by the government and the people will be unavoidable. What is important is to admit those mistakes, to correct them and to learn from them.

I hope that all Chinese, guided by their conscience and sense of responsibility to the nation, will think back calmly and objectively to the year 1989; that they will reason carefully, and calmly pass through 1990; that they will wait, with optimism and confidence, to welcome China's year 2000. As the tide of democracy sweeps across the world, its powerful trend unstoppable, as the governments of the world have learned or are learning to use peaceful means to solve their problems, it is impossible for China to be isolated, floating somewhere outside this world.

The Washington Post.

The Burmese People Have Spoken, but Does the Military Hear?

By Josef Silverstein

PRINCETON, New Jersey — Once again, as they did 30 years ago, the Burmese have said no to the military in a loud and clear voice.

In 1960, after holding power for nearly 18 months, the armed forces organized an election in Burma so that the people could choose a successor government.

It was widely believed at the time that the soldiers in power favored the Stable AFPFL, the party of U Ba Swe and U Kyaw Nyein, which campaigned on a platform of continuing the policies of the military. U Nu, the former prime minister, openly attacked the caretaker government of U Ne Win and courted arrest for his activities. Until the ballots were cast, nearly every observer thought that the Stable AFPFL would win.

The people had a different goal. The party led by U Nu won 52.7 percent of the vote and 157 of the 250 seats contested. His victory, like that of the present National League of Democracy, was nationwide, with support from Burmans and minorities alike. It brought U Nu back to power in a free and fair election.

If history seems to have repeated itself in the recent election, what script from the past, if any, are events likely to follow in the next stage?

In 1960, the armed forces promised in advance to restore civilian government as soon as the people made their choice clear at the polls. And it kept its word. The 1947 constitution was in place, and so it was only a matter of installing the new members of the legislature and transferring power to their leader. This the military did.

Today it is not clear what the next step will be. The leaders of the victorious NLD are under house arrest or in jail. Will the ruling junta allow them to take their place as the new leaders in response to the action of the voters? If the breach between the army and the people is to be healed, this must be the first step.

Will the military insist that those elected on May 27 can do only one job — write a new constitution; and that only after it is adopted in a referendum, and new elections are held under it, will power be passed on? That is what the Burmese commanders said before the vote. Will they insist on retaining power, maintaining martial law and restricting the people by sheer force, or will they accept the vote as one of no confidence in themselves, and hand over to a duly elected civilian government?

In 1946, when the British finally recognized the determination of the Burmese people to govern themselves, they allowed an executive council of civilians to rule. That council was led by U Aung San, father of Daw Aung San Suu Kyi.

The 1946 model could be repeated today, with the military stepping into the background and allowing the NLD to form an interim government while a new constitution is being written. That would hasten the transition and keep the process orderly.

Finally, will the armed forces now end the civil war against the minorities of Burma? For more than 40 years they have been fighting the Karens and for more than 30 years the Kachins, Shans and others. The war has been socially and politically divisive and economically destructive.

The NLD is on record as favoring peaceful reconciliation with the minorities and a degree of autonomy for them within the federal union. The minorities, through their leaders and organizations, have said repeatedly that they want to live as equals in peace and harmony in a united Burma. But they have insisted that they must have a say in shaping that union. Will the military call a truce in the war and allow the newly elected leaders to open negotiations with the minorities to find a solution?

The people have rejected the military in the most direct way. They have a right to rejoice in what they have done, although it is only the first step. It remains to be seen if the military was listening and will follow the example of 1960. That would go a long way toward healing the wounds of the past.

The writer, a professor of political science at Rutgers University, is the author of several books on Burma. He contributed this comment to the International Herald Tribune.

The German Questions Won't Be Going Away

By William Pfaff

PARIS — So the German question remains without an answer. The Washington summit found it too large and fraught an issue for Mikhail Gorbachev merely to accept what the West proposes: that NATO take Germany over.

Mr. Gorbachev is constrained not only by forces within his society — by military opinion and emotion in particular — but also by history. How could he so casually consign united Germany to the West? But what else is to be done with Germany?

The German national question is the central issue now for Europe itself, and has no simple resolution in summit decisions, troop withdrawals, pact memberships. This is the problem: The Federal Republic, a solid, tolerant, politically vigorous democracy, the only solid democracy Germany has ever known, has for four decades been considered by Germans a provisional and transitory political construct, less than totally sovereign.

Its provisionality and transience now will end, and a new and permanent government of all Germany will emerge. Its sovereignty, however, remains incomplete until the status of this united Germany is ratified by the wartime allies, and so long as foreign forces continue to be stationed in Germany without explicit acquiescence by this all-German government that does not yet exist.

The uncertainty and contingency in this situation, which the Washington summit did nothing to end, lend gravity to the resistance inside Germany to the NATO solution. This resistance exists chiefly among intellectuals, especially, although certainly not exclusively, in the East, but it is of considerable significance.

The mass of East Germans want freedom, prosperity, jobs — simply to join the modern world and escape the squalid one they previously inhabited, of lies and oppression. But most of these Germans are likely also to admit that another issue exists, and they would probably be prepared to have it described as a spiritual crisis.

"Spiritual crisis" is not language used in Washington. It is used in Dresden and Leipzig (and Prague and Bucharest) — and even in Hamburg and Munich. It is a product of the Communist past, to which a spiritual response had to be made, which is to say an individual moral and intellectual response. With liberation comes existential choice. What now is the positive content of the freedom so dearly purchased?

There is, in Germany, a political aspect to this. The provisionality of the Federal Republic in the past disqualified it from providing a "spiritual" meaning to German nationhood. The criticism most often made of German unification today is that it provides mere "Mercedes democracy" — spiritually empty.

Most of us might think Mercedes plus democracy, or democracy plus Mercedes (or BMWs or Volkswagens; let us not be partial), no bad thing at all. To significant numbers of Germans in both East and West it signifies a failure of national vocation, if not a betrayal. (This is what the German terrorism of the recent past was all about.)

There is a deep utopian streak in German thought, a romantic absolutism (which exists elsewhere, certainly, but nowhere else has had so damaging consequences). This today encourages the belief that a peaceful and successful revolution in Eastern Germany — a "spiritual" revolution, or product of one — ought to result in a new and pure Germany: just, unmaterialistic, neutral in the superpower rivalries.

It has produced a conviction, by some, that this opportunity has been stolen from Germany. Stolen by whom? By the West, by NATO, wishing to extend its reach eastwards; by Helmut Kohl, the capitalists — but also, as now seems to be happening, by Mikhail Gorbachev and the Russians as well. A wonderful new Germany, excused from history and nobler than other nations, is stabbed in the back at the instant of its birth.

That is one problem. Another is a very practical one. There are German national minorities today inside Poland, the Soviet Union, Hungary, Romania, even some still in Czechoslovakia. Are they or are they not part of the German nation? The answer is not provided by treaties demarcating borders. This, too, is a "spiritual" German issue, as well as a political one. History has demonstrated that spiritual questions can have large practical consequences where Germany is concerned.

Nearly everything in Europe today revolves around the German issue. This is so in Eastern Europe, where Germany has always been the principal foreign cultural as well as economic influence, in Western Europe, where the future of the Community is at stake, and in Russia, Germany's ancient rival — and victim.

The NATO solution seems the best available because it is uncomplicated and promises to be effective. It offers security to the Soviet Union. The new Germany remains a member of a stable community of democracies, including the United States, an essential non-European stabilizing weight.

The NATO solution, however, even if Moscow accepts it, will not work if NATO remains an organization dominated by the United States. The United States cannot, in the long run, have the leading role in an organization providing all-European security. This is common sense. NATO with a European supreme commander, and the United States in a partner's role, could work. For Washington, the interests at stake are essentially bureaucratic, rather than national.

The CSCE solution, which Mr. Gorbachev seems to want, a new pan-European organization based in the Helsinki Pact process, is a riskier affair because it lacks definition, has to be created, promises weakness by incorporating too many divergent interests, and offers considerable opportunities for confusion and uncertainty on the way from here to there. It nevertheless is a solution reassuring to those Russians who see in Germany's adhesion to NATO a disguised reversal of that victory in World War II which the Soviet people earned at terrible cost.

The Washington summit's failure to resolve the German question illuminates its inherent intractability, and its gravity. There has been complacency in the West about how it would be settled on our terms. We are now only beginning to understand how difficult it may be to settle it on any terms.

My last column, on East European intellectuals, made reference to the Hungarian writer Elemer Hankiss as Peter Hankiss. My apologies.

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Preferring Gorbachev to Lithuania

THE most poignant words spoken during the summit talks came from a nonparticipant, the Lithuanian spokesman Algimantis Cekuolis. Shortly after agreements on strategic weapons and trade were signed last Friday, he said of his beleaguered homeland: "Today we were all alone."

Unlike Mikhail Gorbachev, who won several concessions on trade and arms, the Lithuanians didn't ask for much — a sign, a gesture, an indication that, in its zeal to shore up the Soviet president, the United States would, half a century after refusing to recognize the Soviet incorporation of Lithuania, remain true to its belief in democracy and self-determination.

The administration relegated its concern for Lithuania to sotto voce murmurings amid the pomp of a largely symbolic occasion, because it considers Lithuania a flyspeck on the scales of the U.S.-Soviet relationship.

In pretending to manage the process of change in the Soviet Union — even as Mr. Gorbachev was busy in Washington managing his agenda at the expense of America's — a self-satisfied Bush administration has conjured the conceit of a "pragmatic" approach to issues of power and principle, a self-censoring refuge in which it is now comfortably entombed. No room in there for a hapless little Baltic nation.

Mr. Gorbachev saw a U.S. president eager to keep him in power. What he heard from the White House was an unidentified (but almost certainly authorized) adviser derisively critical of Boris Yeltsin. In fact, Mr. Yeltsin is far more tractable on Lithuania, bolder on economic reform and more amenable to the American agenda. What Mr. Gorbachev read in the statements he signed was American political and economic largesse that is more likely to whet than to satisfy an ambitious appetite.

— Richard Perle, commenting in The New York Times.

THE new government in Vilnius declared itself independent a mere three months ago. It is probably not too farfetched to say that the fate of the Soviet Union hinges on how well Mikhail Gorbachev manages this issue. If he had simply let the Lithuanians' unilateral declaration stand, he might have found himself mowing lawns in Gorky Park the next day.

— Leslie H. Gelb, commenting in The New York Times.

100, 75 AND 50 YEARS AGO

1890: Providence Stanley

BERLIN — The feeling aroused here in reference to Mr. Stanley's anti-German speeches has reached a high pitch. The *National Zeitung* says: "The bitterness against Germany in Mr. Stanley's speeches is a matter of supreme indifference to us Germans. The blind zeal which leads the long since Americanized Welshman, Stanley, to believe himself justified in posing all of a sudden as the Providence of England, and his persistency in trying to force on the English public his extremely one sided view of the right course to take, have, at best, a mere psychological interest for us."

1915: Wilson Note Sent

NEW YORK — President Wilson's new Note to Germany has been sent. The American Government is resolved to maintain its position and has the support of the press and of public opinion. The Note from Germany, cabled by Mr. Gerard, the United States Ambassador in Berlin, to the U.S. State Department notifying Germany's willingness to pay an indemnity for damage done to the American steamer *Gunflight*, and explaining that she was torpedoed by mistake, also states that it has been impossible to clear up the question of the dropping of bombs by German aeroplanes on the American steamer *Cushing*, and further information regarding the incident is asked for. The Note says that the ship attacked by German aviators in the vicinity of the North Hinder lightship was flying no flag and had no neutral markings. The State Department denies that Mr. Gerard has instructed the American colony in Berlin to be prepared to leave.

1940: Record Navy Bill

WASHINGTON — The Senate today [June 6] sent to the White House a record $1,492,000,000 naval appropriations bill. Senator Pepper offered a new resolution suggesting President Roosevelt use all his authority to sell planes and war materials to the Allies.

OPINION

Bet on Thatcher to Emerge Victorious Through the Fog

By George F. Will

LONDON — Many Americans, disgusted by presidential campaigns that are course and seem interminable, envy what they imagine to be the civility and brevity of British campaigns. However, one experienced and therefore unenthralled Labor member of Parliament predicts that Britain's next campaign, currently getting into gear at least one and perhaps two years before the voting, will have two nasty themes: "She's a bitch" and "They're liars."

The formal British campaigns of a few weeks' duration are just the final sprint at the end of a marathon. Margaret Thatcher's government, which can call the next election to suit its convenience, is already toiling to produce convenient facts, particularly sharply lower interest rates.

Pursuant to her goal of producing property-owning democracy (as nationalized industries were privatized, the number of persons owning shares of corporations passed the number who are members of labor unions), Mrs. Thatcher encouraged the private purchases of publicly owned houses. More than one million were bought. But many home owners have variable-rate mortgages that originally were at 8 percent and now are at 15 percent.

Labor, having issued a new manifesto of impeccable vacuity and brazen evasions, has completed the task of emptying itself of traditional conventions.

One reason for the rise of interest rates is German reunification and the surge of demand for capital in Germany and in Eastern Europe. The political ball takes strange bounces: The fall of the Berlin Wall could, or so Labor hopes, lead to the fall of Europe's foremost conservative government.

Labor, having issued a new manifesto of impeccable vacuity and brazen evasions, has completed the task of emptying itself of traditional conventions. The prime minister, the model of a "conviction politician," has many dogmas and a manner of propounding them that is, to many, maddeningly familiar. Labor has now committed apostasy against every familiar tenet of its ancient faith (socialism — the unutterable S-word), so this campaign is not going to be pretty.

In democracies, the bitterness of politics often is inversely proportional to the doctrinal differences between the parties. A common acronym here — TBW, That Bloody Woman — recalls Republican asperity referring to Franklin Roosevelt as That Man in the White House.

Labor, having jettisoned convictions, will count on subordinating political judgments to aesthetic judgments. Labor will play to the antagonism that many voters feel toward Mrs. Thatcher's persona as national nanny.

She has, says François Mitterrand, the eyes of Caligula and the mouth of Marilyn Monroe. But discontent with manner may be a weak lever with which to pry this incumbent from power. To the extent that style is the issue, substance is not. It is not, because Mrs. Thatcher is a success, a fact to which Labor's apostasy pays tribute. She set out 11 years ago to destroy socialism and make Britain more wealthy and productive. She did.

However, successful political parties often are undone by their successes. America's Democrats used activist government to create — through subsidized college education and home mortgages, and the infrastructure of suburbanization — a middle-class majority which, in time, decided it could do with less government activism.

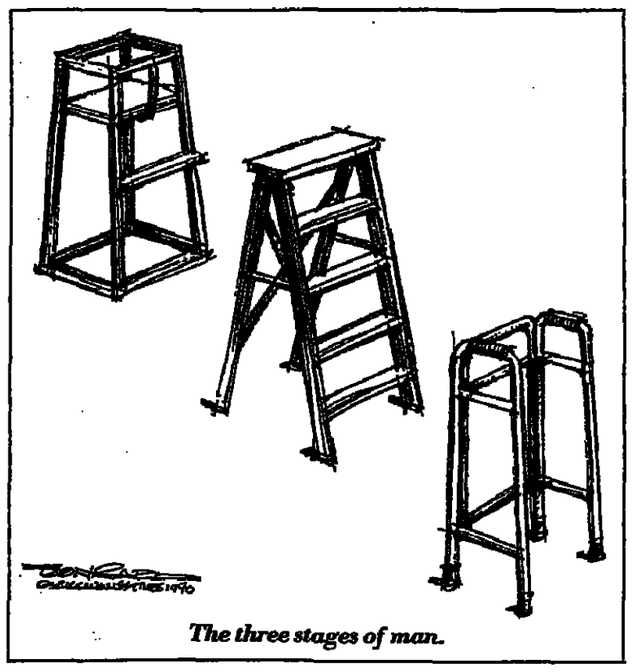
One reason Britain's Conservative Party is vulnerable is this: Upwards of 40 percent of the voters in the coming election were not of voting age in 1979, when Mrs. Thatcher won in "the winter of discontent." That trauma, when even hospital aides and grave diggers were on strike, and unions rather than government seemed sovereign, now seems as distant as Agincourt.

In the 1983 election, Labor lurched left, producing a platform described as the longest suicide note in history. But now Labor has forsworn unilateral nuclear disarmament, confiscatory taxation (the top marginal rate might rise from 40 to 50 percent, but just 11 years ago it was 98 percent), nationalization of the economy's "commanding heights" and re-establishment of untrammeled union power. It even makes rhetorical bows to the market, and this intellectual sunburst: Before wealth can be distributed, it must be created.

By calling Labor liars, Conservatives are poised to have it both ways. They will say that Labor, having at long last abandoned silly socialist principles, is contemptible because unprincipled. Or if not that, then it is mendacious: Labor does not mean it. Conservatives will say that principles so casually tossed in the dust can be casually plucked up again.

Margaret Thatcher, now in her 12th year at 10 Downing Street, is vulnerable to the volatility that boredom breeds. And another threat to her is the British appetite for political fudge — the preference for soft options, blurred choices, mushy compromises, muddling through. Still, the stricken field of British politics is littered with those, Tory as well as socialist, who underestimated Mrs. Thatcher. The smart money says nanny wins a fourth term.

Washington Post Writers Group.



The three stages of man.

Keep Your Graffiti Off My Forehead

By Richard Cohen

WASHINGTON — Norman Mailer once praised graffiti as urban art. He made his case when graffiti first became a problem in New York and it seemed that subway cars left one station perfectly clean and arrived at the next proclaiming the name of some gang leader in arching swaths of bright paint. Virtual Sistine Chapel ceilings roared out of dark tunnels and came to screeching halts: Juan, Harlem Devils!

This was art, Mr. Mailer and others said. The chassis of the subway cars, often the windows and sometimes the interiors as well, had been decorated, turned into murals. In some cases the total effect was, yes, artistic, the work of unschooled American primitives, like the early portraitists who used to roam the country, lifting the weary faces of plantation wives and endowing the planter himself with an image that matched his self-estimation. Yes. Why not? Art.

Mr. Mailer seemed to be onto something. But something in the back of my mind kept nagging. Yes, it was art. But if the artist could paint the side of the car, if he could get into the car itself, he could also point his spray can right at me and put his name on my forehead.

This so-called art was really intimidation, a rock through the window, a fish delivered in a limousine. It was a message from the underworld: Authority had broken down. The subway rider was no safer than the car itself.

Of course, the term, graffiti, is reserved for scribblings and desecrations, but why not be expansive in its definition? For instance, I consider remarks made to women on the street to be oral graffiti. Women have their own complaints about this sort of thing, although, from what I've read, some of them enjoy at least the milder, complimentary remarks made by strangers about their physical appearance.

MEANWHILE

But oral graffiti are yet another example of the collapse of public civility. You say what is on your mind no matter how it makes others feel — the particular target or anyone else around. While the remarks are not exactly analogous to the defacement of public places, they do suggest that the person who can at one moment tell some woman what he would like to do with her could, on a similar whim, bust you one in the face — especially if you protest against his big mouth.

I also include the homeless in the category of graffiti. I realize that I am referring to unfortunate human beings, and it is scandalous that not enough is being done to help them. At the same time, they are a civic eyesore, a constant reminder that something has gone awry in society. The block-by-block sight of sprawled human beings, of the deranged, alcoholic and drug-addicted, makes us all callous. After a while, misery becomes routine, a part of the environment.

The plight of the urbanite is that he or she becomes inundated with graffiti of all sorts. You see, or sense, a sort of chaos: graffiti, insults, homeless people or even the routine running of red lights. Each one suggests that a restraint has been broken, a taboo discarded. The mind leaps to chilling conclusions. If the homeless person can hassle passersby, why can't he or she attack you? Once again, outrageous behavior robs us of a sense of security.

The other night I was parked in downtown Washington, dropping a friend off at his hotel. A Jeep pulled up, top down and radio up — the volume seemingly as high as it could go. Three young men, hair pulled back in ponytails, were inside, jumping to the music. The Jeep was like a loudspeaker on wheels. My friend and I had to stop talking. The music was more than intrusive. It was intimidating.

What were these kids saying? Well, it seemed to me that they were announcing their arrival with a kind of musical swagger. But they were also saying that they were going to do what they damn well pleased, and it hardly mattered to them if other people were bothered. Indeed, that seemed to be the whole point. Playing the radio that loudly is an aggressive act. It asks a question: What are you going to do about it? The answer is nothing — not if the police won't.

On the sidewalk a block from my office, a homeless woman, filthy, seemingly dazed and sometimes naked from the waist up, has lain for days, wrapped in a blanket. Singing people bless me and ask for money. Bike messengers zoom within inches of me. I hear men make crude suggestions to women, and people in cars choose my music for me.

Norman Mailer was wrong, and, indeed, he later altered his view somewhat. Graffiti — graffiti of all sorts — are not urban art. It represents the desecration of an even greater work of art: the modern city.

The Washington Post.

LETTERS TO THE EDITOR

A Premature Obituary

Regarding "'Europa Uber Alles'? Not Likely" (Opinion, May 25):

Amen to Joel Kotkin when he writes that reports of America's death as the leading economic power are premature.

The Eurosclerosis of the early '80s has given way to Europhoria, and one is as unrealistic as the other. The biggest economic achievement of "Europe" up to now has been the disastrous Common Agricultural Policy, which has meant enormous excess costs for the European taxpayer and consumer, as well as severe damage to Third World agriculture.

Mr. Kotkin cites Jacques Attali, who reflects traditional European left-intellectual attitudes when he says that the United States has become Japan's granary as Poland was for Flanders 300 years ago. As far as I know, Poland was not supplying Flanders or anywhere else with that era's equivalent of Boeings or personal computers or a nuclear umbrella. We may be fairly sure that the PC on which Mr. Attali typed his fatuous notion was not a European or a Japanese one.

The statist and anti-competition ideas of people like Mr. Attali represent the greatest menace to future European strength. Why did the United States broker the deal under which Mr. Attali became head of the new European Bank for Reconstruction and Development?

FRANCIS M. S. PEEL.
Geneva.

Claims to the West Bank

The Palestinians have no claim to the West Bank. That area was forfeited in the 1967 war of aggression and annihilation against Israel that the Arabs lost. As legal heirs to King Hussein, who renounced his (disputed) rights to that area, the Palestinians should sue for peace, as Anwar Sadat of Egypt did when he went to Jerusalem in 1977. They might get a good deal. Why not try? But to claim their "rights"? What rights? Winner takes all.

BERTHOLD WYLER.
Geneva.

Service in the Gulf

Of course the Lockerbie disaster was ghastly, and terrorists and associated countries whose responsibility has been proved should be severely punished.

I am, however, puzzled by a dispatch in the International Herald Tribune *(American Topics, April 30)* about the captain of the U.S. cruiser Vincennes and his weapons officer. They were responsible for the shooting down of a civilian passenger airliner in the Gulf on May 3, 1988, with the loss of 290 lives. It seems that they were not punished or even reprimanded at all. Both were rewarded with the Legion of Merit for their service in the Gulf.

FINN MUNCH-PETERSEN.
Copenhagen.

About the Bank of Tokyo

Regarding "Bank of Tokyo's Role as Japan's Financial Envoy Dwindles" (Business/Finance, April 30):

This article fails to appreciate that the Bank of Tokyo is a unique institution and to analyze it on that basis. Instead, it tries to force it into the mold of Japanese city banks.

From its origins as the Yokohama Specie Bank in 1880, Bank of Tokyo has been specifically designed to provide financial leadership for the internationalization of Japan. It has pioneered overseas markets since it began business in New York in 1880 and in London in 1881. Today it exercises its leading role in the private sector for Japan's newly assumed responsibilities as the major creditor nation and one of the largest providers of development aid.

In the past 110 years, the bank has built an unparalleled international financial system with more than 300 offices in 42 nations.

The bank has such deep roots in the key markets of Asia, Europe and the Americas that it has long since diversified from entirely Japanese business to handling a large volume of indigenous business of the host countries and of multinational corporations.

The article missed the synergies between this powerful international system and our strengthening domestic operations. As more Japanese companies become internationalized, more have become Bank of Tokyo customers in Japan. The bank has benefited significantly from this trend by, as the article stated, "simply doing what it was designed to do: focus on overseas business."

The article asserts that "adding more pressure for a merger is deregulation of Japanese bank deposits." As of March 1989, the ratio of regulated interest-rate deposits to total domestic yen-dominated deposits for the top five city banks was 30.5 percent, compared with 10.3 percent for the Bank of Tokyo. Logically, then, the adverse impact of deregulated deposits should be three times greater on other banks than on the Bank of Tokyo.

KENJI YOSHIZAWA.
Resident Senior Managing Director.
Bank of Tokyo Ltd.
New York.

Wheels in Hong Kong

Regarding "Always Blaming America" (Letters, May 17):

Thomas Hui complains of prohibitive import duties and unreasonable restrictions meted out by the Hong Kong government to American-made cars. In fact, Hong Kong, being a free port, does not impose import duties. But because of its narrow, one-lane roads with countless hairpin bends, the import of bulky cars is discouraged through a system of progressively high registration fees. Similarly, there is a license fee that is progressively higher for more powerful engines.

B. R.van der STEENHOVEN.
Luxembourg.

One Woman's Will

In response to "Taking on the Gun Lobby: Wife of Wounded Reagan Aide Takes Aim and Scores" (May 26):

Perhaps the "weaklings in Congress," as Sarah Brady calls them, can draw on her experience and enact further legislation to regulate semiautomatic weapons. Mrs. Brady is indeed an inspiring example of what the will of one person can achieve against a colossal organization.

TYSON STORCH.
Mainz, West Germany.

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We bid farewell before the first glow of youth has faded.



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Feinstein Wins California Democratic Primary for Governor

By Michael Oreskes
New York Times Service

NEW YORK — Dianne Feinstein, the former mayor of San Francisco, has won the Democratic nomination for governor of California in a campaign that was dominated in its final days by dramatic appeals to women voters, according to election returns and surveys of voters leaving polling places.

In the primary election on Tuesday, Mrs. Feinstein became the first woman to win a major party primary for governor of California.

In North Carolina, Harvey Gantt, the first black mayor of Charlotte, won the Democratic nomination on Tuesday to run for the U.S. Senate against Senator Jesse Helms, a conservative Republican.

Mr. Gantt became the first black ever nominated to run for the Senate as a Democrat in the South or, as far as it could be determined, by a state Democratic Party anywhere in the United States.

The results came on the busiest primary day of the 1990 political season, as nine states, with nearly a quarter of the U.S. population, held elections on Tuesday.

Mrs. Feinstein, who said that a woman was more reliable in protecting the right to abortion, defeated the California attorney general, John K. Van de Kamp.

He had sought to counteract Mrs. Feinstein's appeal to women by campaigning with Norma McCorvey, who as "Jane Roe" brought the case that led to the 1973 Supreme Court decision establishing a right to legal abortion.

[With 96 percent of the precincts reporting on Wednesday, Mrs. Feinstein had 52 percent of the vote, and Mr. Van de Kamp had 41 percent, The Associated Press reported. Nine other Democrats split the remaining 7 percent.]

Mrs. Feinstein's victory came months after her campaign was all but written off by most political leaders.

Mr. Van de Kamp, conceding defeat in Los Angeles, said that Mrs. Feinstein had hammered out "an extraordinary victory," running a campaign that overwhelmed his.

He told his supporters that he felt like the auto mechanic who was run over by a Corvette and said, "I think my leg is broken, but did you see that car?"

Senator Pete Wilson, a Republican of California and an supporter of the right to legal abortion, won the Republican nomination for governor, setting up one of the most important, and probably the most expensive, electoral contests in the United States this year.

[Mr. Wilson swamped three rivals to capture 89 percent of the Republican vote, The Associated Press reported.]

After his victory, Mr. Gantt told his supporters, "It's a new day in North Carolina."

Only two blacks, both Republicans, have ever served in the U.S. Senate: Hiram Rodes Revel, who represented Mississippi after the Civil War, and Edward Brooke, who represented Massachusetts from 1969 to 1979.

In recent years, the Republican Party, as part of an effort to appeal to middle-class blacks, has nominated several blacks in unsuccessful attempts to unseat incumbent Democratic senators.

Mr. Helms congratulated Mr. Gantt for his "hard-earned victory."

Mr. Gantt defeated Mike Easley, a district attorney from eastern North Carolina.

The results in the nine states were watched closely as a measure of the public mood on everything from abortion and government ethics to taxes and spending.

The nine states were Alabama, California, Iowa, Mississippi, Montana, New Jersey, New Mexico, South Dakota and North Carolina.

In Iowa, abortion rights-supporters were victorious when the state House speaker, Don Avenson, captured the Democratic nomination for governor.

The National Abortion Rights Action League endorsed Mr. Avenson and vowed to defeat his principal opponent, state Attorney General Tom Miller, an opponent of abortion.

The primary prepares the field for what is expected to be one of the hottest contests in the United States this fall with abortion as a central issue, when Mr. Avenson takes on Governor Terry E. Branstad of Iowa, a Republican and a strong abortion foe.

In Alabama, Governor Guy Hunt, a Republican, won nomination to a second term.

Four major candidates vied for the Democratic nomination in Alabama: Representative Ronnie G. Flippo; Paul R. Hubbert, the executive secretary of the Alabama Education Association; former Governor Fob James; and state Attorney General Don Siegelman.

Interviews with California voters leaving the polls showed that Mrs. Feinstein's supporters were most concerned about crime and drugs, abortion and education.

Mr. Gantt got 59 percent of the vote by combining an overwhelming support among black voters with a solid backing among whites in North Carolina's urban areas.

But an expert on Southern politics, Merle Black, warned that there were hints in Mr. Gantt's primary success of further defections of white voters to the Republicans.

Turnout represented only about 17 percent of the electorate.

A Revolt Ends With Approval of Tax Increase

Compiled by Our Staff From Dispatches

LOS ANGELES — California voters have approved the state's largest tax increase ever by doubling taxes on gasoline to pay for an $18.5 billion freeway-construction program.

Proposition 111, a symbolic end to the tax revolt that began with the passage of Proposition 13 in 1978, was approved Tuesday along with a measure to provide $1 billion in bond funding for commuter trains. The vote was being closely watched across the country as a measure of the public mood on taxes.

Public opinion polls show that Americans appear to be softening their resistance to taxes, but they have also rejected tax increases in voting this year on school budgets and other referendums.

Proposition 111 would not only clear the way for a doubling of the gasoline tax — from 9 cents a gallon (3.8 liters) to 18 cents — but it would also loosen the limits on state spending established at the height of the tax revolt a decade ago. Proponents argued that the money could be used to rebuild overcrowded highways and expand mass transit services.

California voters rejected two redistricting measures that would have helped the Republican Party. An ethics-in-government proposition won by a wide margin. And an initiative sponsored by prosecutors to shorten trials, narrow defendants' rights and expand the death penalty, was approved.

In local elections, San Francisco voters approved a record $332 million bond issue to help pay for repairs from the October earthquake. Voters in two San Francisco Bay area counties — Alameda and Marin — voted down measures to create or strengthen "nuclear free zones."

Malibu, known for its sun, surf and celebrities, added cityhood to its string of alliterative claims to fame. Residents voted to break free from Los Angeles County's direct administration by incorporating as a city.

With 91 percent of precincts reporting, Proposition 111, the highway and rail-building proposal that raises gasoline taxes had gained approval, 53 percent to 47 percent.

Voters defeated by about a 2-to-1 margin two measures that the Republicans hoped would curb the Democrats' ability to use redistricting to maintain or increase their strength in the state legislature and the U.S. Congress.

(NYT, AP)

Mexican Party Accused Of Using Public Funds

By Larry Rohter
New York Times Service

MEXICO CITY — For years, voters and opposition parties here have suspected that government funds are routinely used to finance the slick election campaigns of the governing Institutional Revolutionary Party.

Now, for the first time, there appears to be proof of such illegal diversion, and a major political scandal has been set off.

Bank and court records show that more than $10 million in government money was funneled to the PRI, as the party is known, during the governor's race last year in Baja California Norte. Several officials of the previous administration in the state have been arrested and are awaiting trial, but officials of the new state government have said some records are missing and may have been destroyed.

The matter came to light after the right-of-center National Action Party won the election in the state, which borders California and has a population of 2 million.

The victory for Ernesto Ruffo Appel, who took office in November, was the first time since the PRI first came to power in 1929 that an opposition party had triumphed in a governor's race in one of Mexico's 31 states.

The new administration says that an examination of state documents and bank records found that 251 checks had been issued by the previous government to accounts held in seven names that turned out to be fictitious, as well as to Margarita Ortega Villa, the PRI candidate in the governor's race.

PRI leaders in Mexico City and in Baja California Norte deny that any government funds were illegally channeled to them. They say the PRI received only the small government subsidy that is available to all registered political parties and accuse the opposition of slander.

"The government of the state of Baja California has neither supported nor presented the proof for the accusations it has made," Senator Luis Donaldo Colosio, the national president of the PRI, said recently. "So this is an accusation that we have described as eminently political."

Mr. Ruffo has said he is acting "with objectivity and respect for the law, in no way motivated by political or electoral considerations."

President Carlos Salinas de Gortari has had no direct comment on the case, though last year he acknowledged the existence of "pockets of corruption" in the state after forcing Xicoténcatl Leyva Mortera, the governor at the time, to resign. Mr. Salinas came to office in December 1988 saying that the "era of virtually one party" was over, and he has promised "clean and transparent elections."

The Organization of American States recently warned the Mexican government that "it must comply exactly with the obligation to guarantee the free and full exercise of political rights."

Mexican political analysts said Mr. Ruffo may be reluctant to pursue the Baja California Norte case aggressively for fear of offending the central authorities. Mexican states and municipalities depend on federal funds for most of their budgets, and PRI-dominated administrations have not hesitated in the past to cut back or delay allotments when opposition governments take actions that challenge the party's supremacy.

Mayor Milton Castellanos of Mexicali, who was the head of the PRI state committee in Baja California Norte last year, conceded in a newspaper interview last month that more than half of the $10 million ended up in his hands, but he maintained no laws were broken.

He described the money as "coming from dues from party members working in the government, which were deducted and given to me."

"It is a revolving fund," he said.

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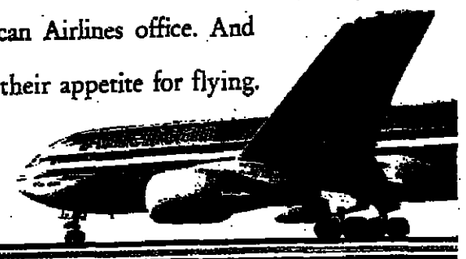
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The Roh-Gorbachev Encounter: How Big a Breakthrough?

By David E. Sanger
New York Times Service

TOKYO — Within moments of the end of his meeting with President Mikhail S. Gorbachev, President Roh Tae Woo of South Korea was broadcasting a message of victory back home to Asia, declaring that "the Cold War ice on the Korean peninsula has now begun to crack" and predicting the imminent resumption of diplomatic relations for the first time in 86 years.

But in the ensuing two days, the Soviets put a dramatically different, far less enthusiastic spin on the hastily-arranged encounter in San Francisco, treating it more as a first encounter between aspiring business partners than an epoch-making accord between sworn enemies.

Now much of Asia is attempting to figure out which of the two men is right, Mr. Roh or Mr. Gorbachev.

The answer may well be Mr. Gorbachev, at least for the time being.

While few question that the meeting Monday was a historic breakthrough, even some of Mr. Roh's aides admit privately that its substance fell short of the fevered build-up it was given at home, where Mr. Roh is trying to reinvigorate his popularity amid an economic slowdown and mounting problems with a new political coalition that he has put together with two longtime opposition leaders.

For two years Mr. Roh has bet that mounting economic ties with

NEWS ANALYSIS

the Soviets — bilateral trade doubled last year, but still amounts to a somewhat paltry $600 million — would slowly draw political concessions from Moscow, further isolating the North Korean regime of Kim Il Sung.

The strategy is a complete reversal from the days when South Koreans were jailed for consorting with Communists. But it is too early to tell if it is truly working.

A senior Japanese diplomat with long experience in Asian affairs said Wednesday that while he viewed diplomatic relations between Moscow and Seoul as inevitable, Mr. Gorbachev knew that he "could not walk away from the basic tenets of his relations with North Korea."

And the Soviet leader, he and others suggest, likely sees an opportunity to extract more of that trade and investment the longer he keeps Seoul waiting.

"The South Koreans are reading what they want into whatever transpired," Han Sung Joo, a Korea University professor of political science, said Wednesday in Seoul, discussing how eagerly the South Korean news media have soaked up Mr. Roh's version of events.

Moreover, Mr. Han said, the Soviets sensed South Korea's eagerness to demonstrate that Mr. Roh had usurped the North's biggest ally and source of funding, "and Gorbachev refused to walk into that."

"They know what we want, and that we want it so badly," he added, referring to the longing of Mr. Roh, a former general, to establish himself as the man who ended 40 years of antagonism between Seoul and the Communist world.

The South's announcement last week that Mr. Roh and Mr. Gorbachev would meet clearly left the North somewhat stunned.

Up until hours before the meeting, the North Korean government news agency offered doubts that the leader of its biggest ally would meet with the leader of its biggest opponent at all — a view fostered by the fact that Soviets did not announce it.

"Our best information," a Western diplomat in Tokyo said, "is that the Soviets never even told the North in advance."

That would be consistent with recent signs of increasing strains between North Korea and the Soviet Union, including the expulsion of a Soviet reporter in Pyongyang and differences over opening the North to nuclear inspections.

Nonetheless, one of Mr. Roh's close aides, Hyun Hong Choo, newly appointed as Seoul's ambassador to the United Nations, said he understood that Mr. Gorbachev was "not in a mood to advertise" his approaches to the South.

"They wanted to downplay the thing," he said. "They don't want to make an ally angry unnecessarily. But the very fact that the meeting took place cannot be denied, and that has a symbolic meaning."

Most close observers expect a freeze on the sporadic North-South talks that, along with gradually mounting trade with the Soviets, have been the centerpiece of Mr. Roh's post-Olympics "Nordpolitik."

"Everything will stop for a while," said a senior Japanese diplomat who has been following the approaches each side has made to the other. "North Korea has to reach for some of Buddha's enlightenment to cope with the realities of the world."

Others are not so sure. North Korea has been one of the few Soviet allies to show no signs of a democracy movement; news is so controlled that it is hard to know if North Koreans have heard of happenings along the Berlin Wall.

Soviet news reports have not contradicted Mr. Roh's assertion that relations will be restored, but rather have put the possibility of formal relations in the context of a general improvement in the region and between the two Koreas.

Mr. Gorbachev was quoted Tuesday by Tass, the official press agency, as saying that diplomatic relations "may arise as bilateral ties develop and in the context of the general improvement of the political situation in the region and on the Korean Peninsula."

So far, however, the South Koreans have been so ebullient about the meeting that they have hardly taken notice of the Soviet Union's efforts to play down the meeting. Newspapers in Seoul, and elsewhere in Asia, have heralded a fundamental change in the post-Korean War order, and are already filled with news of fisheries agreements and joint ventures.

In a rare sour note, the English-language Korea Times noted Wednesday that Mr. Gorbachev had not attended a press conference after his meeting with Mr. Roh and had issued statements that made no reference to South Korea. The Soviet president, the newspaper suggested, "was not faithful to the protocol worthy of a 'historic summit.'"

Mr. Gorbachev, the newspaper said, kept Mr. Roh waiting for an hour and then treated him "as if he was a private economic patron and not the head of state who had flown thousands of miles to confer on crucial matters of mutual concern."

Pregnant Women Advised To Gain 25 to 35 Pounds

Reuters

WASHINGTON — A committee of experts on Wednesday recommended a weight gain of 25 to 35 pounds (11 to 16 kilograms) during pregnancy to reduce the risk of a low birth-weight baby without adversely affecting the health of the mother.

The committee of the Institute of Medicine, a part of the National Academy of Sciences in Washington, added that normal women eating a balanced diet required no vitamin pills during pregnancy except for a low dose of iron daily. The panel's views update a similar report issued 20 years ago that suggested a weight gain of 20 to 25 pounds during pregnancy.

The panel's recommendations are based on new evidence indicating that weight gain, particularly between the fourth and ninth months of pregnancy, is an important determinant of fetal growth. Too little weight gain has been linked to infant death and retarded growth.

The panel said underweight women should try to gain even more, 28 to 40 pounds, and overweight women should limit their gain to 15 to 25 pounds. Even obese women should put on at least 15 pounds, it said.

Bush and Roh Reassure North Korea

By Don Oberdorfer
Washington Post Service

WASHINGTON — President George Bush and President Roh Tae Woo of South Korea assured Communist North Korea on Wednesday that the new Moscow-Seoul relationship does not presage a security threat to the heavily armed regime in Pyongyang.

"The United States reaffirms that it is not a threat to North Korean security, and we seek to improve relations with that country," the White House spokesman, Marlin Fitzwater, said of the Bush-Roh meeting.

A South Korean spokesman said Mr. Roh had asked President Mikhail S. Gorbachev of the Soviet Union at their meeting on Monday in San Francisco to pass along assurances to North Korea.

"We do not seek military superiority over North Korea, and we have no intention to attack North Korea," the spokesman quoted Mr. Roh as having told Mr. Gorbachev.

Mr. Roh met with Mr. Bush two days after meeting Mr. Gorbachev in San Francisco.

The South Korean spokesman said there was concern about North Korea's reaction to the meeting of Mr. Roh with the leader of the Soviet Union, historically a staunch ally of North Korea. Mr. Bush and Mr. Roh agreed that there is "a real threat" from North Korea, the South Korean said.

"The North Koreans are quite worried and angry after this meeting," the aide to Mr. Roh said. That is why Washington and Seoul are repeating that there is "no aggressive intention" in the new relationships, he added.

Mr. Roh also asked Mr. Gorbachev to convey to Pyongyang his desire to meet with President Kim Il Sung of North Korea to restart the stalled North-South peace process. Mr. Roh also told Mr. Gorbachev that South Korea was ready to assist the North in opening up to the outside world, the spokesman said.

Mr. Gorbachev gave a positive but nonspecific response, according to the South Korean spokesman. He quoted the Soviet president as telling Mr. Roh "peaceful settlement of the Korean issue is desired. We have been working for this."

Mr. Bush, who told reporters that the Roh-Gorbachev meeting was "very important," reiterated his "strong support" for Mr. Roh's policy of expanding ties with the Communist world, according to Mr. Fitzwater.

The White House spokesman said the United States seeks "a reciprocal process of improved relations" with both South Korea and North Korea. However, he added that "the pace and scope" of any improvement of U.S.-North Korean ties would depend on North Korea's actions.

Specifically, Mr. Fitzwater called on Pyongyang to complete the arrangements for international inspection of its nuclear facilities, as called for by the Nuclear Nonproliferation Treaty.

China Protests Shot in Hong Kong

Agence France-Presse

HONG KONG — China said Wednesday it had complained to Britain over the firing of a bullet at its diplomatic mission here during the first anniversary of the June 4 suppression of the Beijing pro-democracy protests.

"This is a very, very serious matter," said Zhou Nan, the local director of the Xinhua news agency, which is Beijing's de facto consulate in the British colony. "The Chinese government has solemnly raised the matter with the British government. We will watch developments with grave concern."

The agency called police on June 4 after a hole was found in a window of the unoccupied 11th floor of its new office building. No one was injured.

Asked about the shooting, the governor of Hong Kong, Sir David Wilson, said "any sort of violence" was to be deplored.

The acting secretary for security, Ian Strachan, said the incident was being treated "as a matter of urgency," adding that any political motive behind the attack would be investigated.

A police spokesman confirmed the shooting, which he said was believed to have occurred between June 1 and 4. He declined to elaborate, but said police ballistic experts were studying the case.

Police said they were checking whether the shooting was linked to a similar case involving a nearby residential building in December.

Some Xinhua officials said they believed the shot was fired on Sunday or Monday during huge anti-Beijing demonstrations in the colony, which is due to revert to Chinese rule in 1997.

The agency has been the focal point for protesters mourning those killed in the crackdown. Political activists have set wreaths, funeral banners and a memorial altar outside Xinhua headquarters since the weekend.

More than 100,000 people took part in a Sunday protest march that ended outside the agency.

Warsaw Pact's 'State of Crisis'

Hungary Wants Swift Changes and Dismantling by '91

By Celestine Bohlen
New York Times Service

BUDAPEST — On his way to Moscow to attend a Warsaw Pact meeting, Prime Minister Jozsef Antall called Wednesday for the abolition of the military alliance by the end of 1991 and, more immediately, for the elimination of those parts of the treaty that violate the "sovereignty" of its seven member countries.

At a news conference held jointly with the Finnish prime minister, Harri Holkeri, Mr. Antall said the abolition of the Warsaw Pact as a military organization should not depend on the concurrent dismantling of the North Atlantic Treaty Organization.

"The Warsaw Pact, due to processes ongoing in Central Eastern Europe, is in a state of crisis," Mr. Antall said. "At NATO, we cannot see any phenomenon of this kind."

He said his concern about sovereignty principally involved control over armed forces, in particular, the use of the Hungarian Army outside its borders, the deployment of other armies inside Hungary's borders and other issues involving national defense.

The Soviet Union has already agreed to withdraw all troops from Hungary by mid-1991, following a timetable similar to one negotiated with Czechoslovakia. At the peak, there were 55,000 Soviet troops stationed in Hungary.

Resisting domestic pressure for a more immediate withdrawal from the Warsaw Pact, Mr. Antall said the alliance should not be dissolved until a careful review of national and international obligations was completed. That review should take place within the framework of a new European security system, based on both the 35-nation Conference on Security and Cooperation in Europe and a Vienna treaty on mutual troop reductions, he said.

The gathering of the Warsaw Pact heads of state in Moscow, held after the U.S.-Soviet summit meeting in Washington last week, is another milestone in the history of the alliance, which has already been overtaken by the rapid changes that have swept through Eastern Europe. Mr. Antall called the current organization "outdated."

Hungary, which held free parliamentary elections in March, was the first Warsaw Pact nation to elect a government in which Communists have no role. But Mr. Antall's party, the Hungarian Democratic Forum, has taken a conciliatory position on the Soviet Union, saying it wants to maintain good relations with its giant neighbor, while moving toward closer ties with Europe and the United States.

The main opposition party, the Alliance of Free Democrats, has called for an immediate withdrawal from the Warsaw Pact in keeping with policy adopted by the Hungarian government in 1956 before a national uprising was crushed by Soviet force.

In an interview that appeared Wednesday in the Hungarian newspaper Magyar Nemzet, Mr. Antall said the punctual withdrawal of Soviet troops remained a national goal.

But, he said, "Our intention to withdraw from the Warsaw Pact is not meant to be a hostile action, but rather a will to establish intensive economic-political cooperation."

At the news conference, Mr. Antall cited Finland's relations with the Soviet Union as a good example, although he said no model could suit all circumstances. He insisted that Hungary would not allow its territory to be used as a launching pad against the Soviet Union.

"Hungary does not intend to play a role that creates a feeling of concern," he said. "I would like to assure our partners that Hungary cannot be an arena for forces that are anti-Soviet."

Joe Loss, 80, Bandleader And Dance Hall King, Dies

Reuters

LONDON — The bandleader Joe Loss, 80, one of the kings of the ballroom dance era, died of kidney failure Wednesday in a London hospital, his publicity agent said.

Mr. Loss's soft-spoken manner and easy-to-dance-to music won him millions of fans, including the British royal family who frequently engaged his band to play at royal balls.

Mr. Loss, whose father was a cabinetmaker in London's East End, trained as classical violinist. He began his career accompanying silent films in the 1920s but soon formed his own dance band.

He began broadcasting in 1934. He had a major hit in 1936 with his recording of "Begin the Beguine," which sold a million copies. His signature tune "In The Mood" sold another million.

Mr. Loss also gave a start to many aspiring stars, including the singer Vera Lynn, who became Britain's "Forces' Sweetheart" in World War II.

Jack Gilford, 81, Actor and Comedian

NEW YORK (NYT) — Jack Gilford, 81, the actor and comedian whose malleable face, rapier wit and buoyant manner energized scores of plays, films and television shows, died of stomach cancer Monday at his home in New York.

Mr. Gilford grew up in Brooklyn, learned acting by studying silent films and entering amateur contests, and gained stamina and staying power in nightclubs. On the stage and screen, he matched barbs with a fellow Roman slave (Zero Mostel) and neatly executed a turn in drag in "A Funny Thing Happened on the Way to the Forum."

In films, he battled American materialism with Jack Lemmon in "Save the Tiger" in 1973, receiving an Oscar nomination as best supporting actor. His other films included "Enter Laughing" (1967), "Catch 22" (1970), "Harry and Walter Go to New York" (1976) and "Cocoon" (1985).

DEATH NOTICE

ISLEY, DARRYL E.

died peacefully of heart failure in London May 22, 1990. Will be mourned by countless loving friends worldwide. A service will be held in London at St. George's Church, Hanover Square, June 25. An additional service will be held in New York in the autumn.

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West German Court Sentences Ex-GI to Life for Espionage

By Serge Schmemann
New York Times Service

BONN — A West German court sentenced a former U.S. Army sergeant to life imprisonment on Wednesday for selling Soviet-bloc agents "mountains of highly secret materials" that could have undermined Western defenses in the event of war.

The Superior State Court in Karlsruhe ruled that Clyde Lee Conrad, 43, a native of Sebring, Ohio, committed "extraordinarily severe" espionage in passing critical defense documents for more than 10 years to Hungarian and Czechoslovak agents.

Mr. Conrad had access to the materials while serving as custodian of a vault filled with classified documents at the U.S. Army 8th Infantry Division headquarters in Bad Kreuznach, 65 kilometers (40 miles) southeast of Frankfurt, from 1975 to 1985. After his retirement, he remained in Germany and continued to relay documents through an unnamed soldier he had recruited.

According to earlier information from Washington, the soldier was not arrested because the evidence against him is insufficient.

The case first came to light in August 1988 with the break-up of a major Hungarian espionage ring that had channeled information to the Soviet Union.

Mr. Conrad never spoke at his trial. But the presiding judge, Ferdinand Schuth, accepted the prosecution's dire depiction of Mr. Conrad as a man whose greed could have led to an atomic exchange.

"A potential adversary would have had the exact coordinates of the combat stance of numerous military units and battalions, not only of U.S. troops, and could have bombed them," Mr. Schuth said. "The West could have been compelled to capitulate or use atomic weapons."

The judge described Mr. Conrad as an "unscrupulous criminal" who had acted solely out of greed. According to the prosecution, he was paid a total of more than 2 million Deutsche marks ($1.2 million).

The court said that documents passed by Mr. Conrad included general defense plans covering all of the North Atlantic alliance, as well as plans for the use of atomic weapons in the event of war, details on the storage of arms and ammunition, evaluations of military exercises and a variety of other military plans, photographs and maps.

The documents even included materials not known to allies of the United States, including plans for U.S. troops in NATO in case of "special" events such as the toppling of a government.

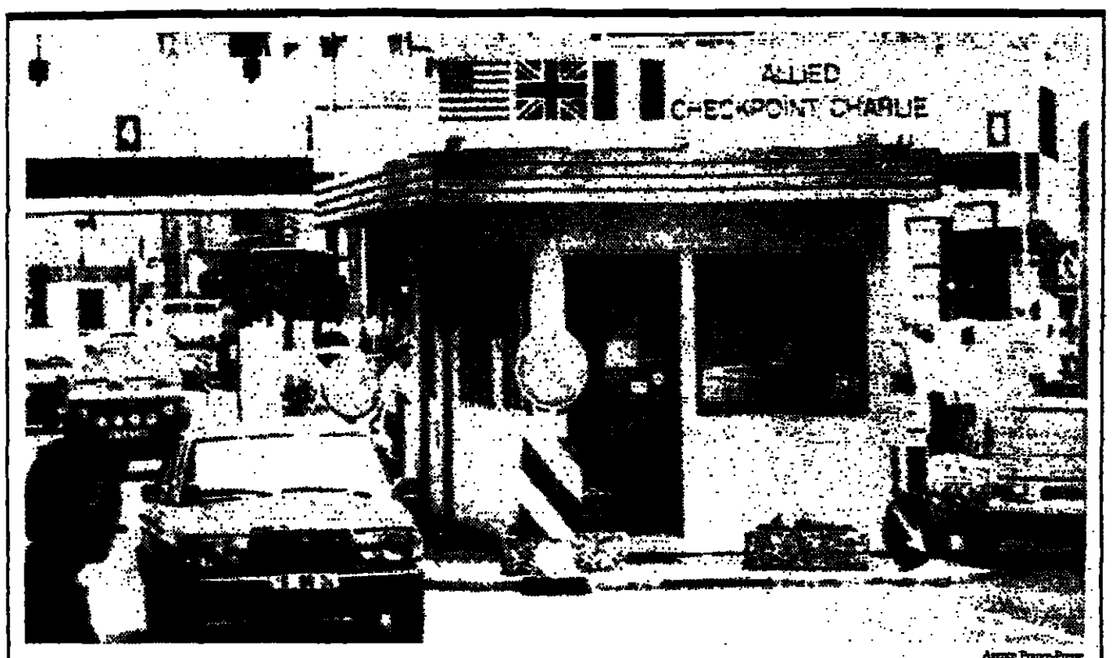
The court noted that the espionage ring for which Mr. Conrad worked was so effective that a democratized government in Hungary had officially apologized for its activities.

In an indirect criticism of U.S. Army security, the judge said the only mitigating circumstance was that betrayal was made so easy for Mr. Conrad. As administrator of documents at the 8th Infantry Division headquarters, Mr. Conrad had unrestricted access to highly classified documents, and evidently had no problem photocopying or taking home "top secret" materials.

In his 20-year career as a noncommissioned officer, Mr. Conrad received consistently good evaluations. He had served as an infantryman in Vietnam for one year, and served for most of the rest of his military career in West Germany. Before his last tour, he spent nine months studying German in Monterey, California.

The prosecution said Mr. Conrad was recruited as a spy in 1975 by Zoltan Szabo, a Hungarian-born sergeant first class who was Mr. Conrad's superior at the division.

Mr. Conrad retired in 1985.



Agence France-Presse

CHECK IT OUT — Cars, perhaps some of the last, moving through Checkpoint Charlie in Berlin on Wednesday. U.S. military sources have confirmed that the Cold War border crossing point for foreigners entering East Berlin will be closed, possibly by the end of June, because German unity will make it obsolete. The Checkpoint Charlie guardhouse is expected to become a museum.

TALKS: *Soviet Pledge on Jews*

(Continued from Page 1)

United States believed that the North Atlantic Treaty Organization would "remain a cornerstone of both military security and political legitimacy in the new Europe."

"NATO will continue to serve as the indispensable guarantor of peace — and therefore the ultimate guardian of democracy and prosperity," Mr. Baker said. He left afterwards for Scotland for a meeting of NATO foreign ministers.

■ Proposal on Germany

On the question of Germany's military future, Mr. Baker said that the Soviets needed to develop their proposal more fully before the Western allies could respond to it formally, The Associated Press reported.

But he said that Mr. Shevardnadze had made enough clear in their two-hour meeting on Tuesday to know that "what they are talking about is an agreement between the Warsaw Pact and the NATO alliance."

Speaking at a news conference, Mr. Baker said that the Soviets wanted "confidence-building measures" as part of any settlement on Germany. Other U.S. officials said that the measures under discussion also involved accelerating negotiations for reducing nonnuclear arms in Europe.

Before flying to Turnberry, Scotland, Mr. Baker called for strengthening the rule of law in East European countries that are shaking off Soviet influence.

His speech to the 35-nation human rights conference contained scant mention of the situation in the Soviet Baltic republics.

In the address, Mr. Baker did not confront the Soviets directly but urged them to initiate "a systematic dialogue" with leaders of the independence movements "so that the aspirations of the Baltic peoples can be achieved."

In Berlin, the West German foreign minister, Hans-Dietrich Genscher, said Wednesday that recent talks had left him confident about solving the major stumbling block to German unification.

Mr. Genscher, as part of the consultations aimed at establishing the military stance of a united Germany, will meet with Mr. Shevardnadze on Monday in the Soviet city of Brest, near the Polish border.

The Foreign Ministry in Bonn said that the two men would visit the grave of Mr. Shevardnadze's brother, a Soviet soldier who died there fighting during World War II, as a sign of reconciliation.

Also Wednesday, the East German prime minister, Lothar de Maizière, flew to Moscow to take part in a Warsaw Pact summit meeting, the government in East Berlin said.

Mr. de Maizière will go to the United States this weekend for four days of talks that will include a meeting with President Bush.

■ House Vote on Exports

The House of Representatives on Wednesday voted, 390 to 24, to oppose easing of controls on exports to the Soviet Union until Moscow opens serious negotiations with Lithuania on self-determination, Reuters reported from Washington.

The warning to Moscow was attached as an amendment to a bill revising export controls. The amendment also stated that controls on exports to the Soviet Union should remain in place if Moscow restricted Jewish emigration.

The vote was the first formal congressional reaction to the summit meeting, at which Mr. Bush and Mr. Gorbachev signed a trade agreement that is to be submitted to Congress only after a Soviet law on emigration is enacted later in the year.

POLES: *Solidarity Battling Itself*

(Continued from Page 1)

the government's free-market program is too hard on the workers.

Last week, Mr. Walesa singlehandedly headed off a potentially disastrous nationwide railroad strike. That victory appears to have emboldened him in challenging intellectuals like Mr. Michnik.

But perhaps the decisive reason behind a political battle that is beginning to overshadow all other issues in Poland is Mr. Walesa's desire to be president.

Some leaders of the government, legislators and editors at Gazeta Wyborcza say they are frightened by this prospect. They accuse Mr. Walesa of acting like a demagogue and sabotaging the stable image that Poland must project to continue to enjoy Western support.

Mostly they criticize Mr. Walesa in private. But lately, Gazeta Wyborcza has not contained its irritation.

"This is a man who had integrated the entire society and now is splitting it," wrote Ernest Skalski, the paper's deputy editor. Western donor countries, his article said, are coming to the conclusion that Mr. Walesa is "destabilizing the political situation in Poland."

Two days before sending his message on Mr. Michnik, Mr. Walesa sent one demanding the resignation of another longtime Solidarity activist, Henryk Wujec, who has been unenthusiastic about Mr. Walesa's presidential ambitions.

But Mr. Wujec, an anti-Communist activist since 1976, refused to quit as secretary of the Solidarity citizens' committees, which are a key political arm of the movement.

"Thank you very much," Mr. Wujec shot back by fax. "You see, you are overworked, and perhaps you forgot that I was elected to the post of the secretary," he said, "and only the committee can recall me."

Within hours, Mr. Walesa fired back another fax: "Feel dismissed."

This exchange prompted Gazeta Wyborcza, in an editorial Monday, to accuse Mr. Walesa of organizing a purge. "The way Wujec was fired fits monarchy, an absolute monarchy," it said.

With Mr. Walesa out front, Solidarity has become an odd political organization. As local elections last month showed, it remains the only group that Polish voters recognize and trust. But beneath its well-known name are two groups that no longer have a common Communist enemy and, therefore, no longer have much in common.

On one side are intellectuals, businessmen and entrepreneurs, who are enthusiastic backers of the government's plan to rebuild the economy by relying on free-market mechanisms and foreign assistance.

On the other are workers and union leaders, who say they are victimized by changes that have driven down living standards by about 40 percent while coddling holdovers from the Communist regime and creating a Solidarity elite.

Teachers Protest in Harare

Reuters

HARARE, Zimbabwe — The police fired tear gas Wednesday to disperse a demonstration of thousands of Harare teachers who defied government orders to return to work.

Quayle Pelted With Papers

The Associated Press

WASHINGTON — A man from the Virgin Islands threw a small sheaf of papers Wednesday at Vice President Dan Quayle and hit him in the head after calling out to get his attention on Capitol Hill, officials said.

Mr. Quayle, unhurt, was whisked away in his limousine. Mwenea Sikuzote, 42, of St. Thomas, Virgin Islands, was arrested and charged with assaulting the vice president.

"The guy shouted 'I have documents!' and proceeded to throw same," said Mr. Quayle's press secretary.

Senate Bars Food Jobs From AIDS Patients

United Press International

WASHINGTON — The Senate voted Wednesday to allow AIDS patients to be barred from jobs requiring them to handle food.

The Senate ordered its negotiators on the Americans with Disabilities Act to agree to a House amendment that would permit employers to move AIDS sufferers from direct contact with food to other duties without loss of pay.

FIGHT: *Wife-Beating*

(Continued from Page 1)

Dora Kanabahita, responded. "You have a brain. You've got hands. Don't rely on the man to provide for you."

A man from the bench on the sidelines rose and asked a question.

Traditionally, he said, men married as many women as possible, but these days the practice encouraged the spread of AIDS.

What should men do?

Mrs. Bagalaaliwo suggested now was the time to ask whether the practice of multiple marriages was a good idea.

Anyway, she informed the questioner, a new law aimed at curbing the spread of AIDS was about to be debated in Parliament.

If passed, it would send a man to jail for life if he had sex with a girl under 15.

One of the consequences of the AIDS epidemic is that men are seeking ever-younger sexual partners in hopes that the girls have not yet been exposed to the disease.

A fragile woman expressed what appeared to be a widespread fatalism about AIDS.

"We realize our men have AIDS after it is too late, so we live normally with them because we know we are going to die," she said.

Such behavior, Mrs. Bagalaaliwo cautioned, is not responsible.

Later, out of earshot from her class, she said, "Women are really scared of AIDS."

SOVIET: *Ethnic Violence Spreads*

(Continued from Page 1)

BBC, called on the population to remain calm and not fall victim to "provocative rumors."

"Under their influence, students of the city of Frunze held a number of meetings today which had a negative effect on the situation in the capital," the radio said. "Overall, the situation in the republic is under control."

The unrest was the latest in a series of outbreaks that have engulfed the Soviet Union's southern regions in the last two years and underscored the fragility of order in areas with often explosive ethnic mixes.

Speaking in the Supreme Soviet in Moscow, Mr. Lukyanov said that the land dispute in Osh concerned a total of only 32 hectares (80 acres).

Tass said that transport was at a standstill in the town, which lies in the Tien Shan mountains.

Uzbekistan is by far the larger of the two republics and overshadows Kirghizia politically and economically. About one million Uzbeks live in Kirghizia.

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The Global Newspaper.

France's Economic Muscle

With Space to Grow, Paris Sees Airport As a European Hub

By John Phillips

PARIS — Planners at the French capital's airport authority believe Charles de Gaulle Airport is ripe for development as a hub for air, rail and road transport among European capitals as 1992 draws closer.

A major element of their vision should get under way by the end of this year when the entity, Aéroports de Paris, together with the state-run railroad company, Société Nationale des Chemins de Fer, is to put out a contract tender for construction of a terminus to house a new high-speed *train à grande vitesse* (TGV) rail link at Charles de Gaulle-Roissy, according to Jacques Reder, Aéroports de Paris spokesman.

"At Charles de Gaulle we have the capacity to welcome 80 million or even 100 million passengers," he said. "It is a great chance for France to develop our airports, traffic and transport installations."

The TGV station will be located between the airport's second and proposed third terminals (CDG 2 and 3) and connected to CDG 1 by an automated transit system. The TGV rail link is expected to operate up to 40 services daily from both inside and outside France by around the beginning of 1995.

A third of the station will be financed by the Aéroports de Paris and two-thirds by the SNCF. The present RER high-speed regional express service station at Charles de Gaulle will be moved to interconnect with the TGV link, Mr. Reder said.

A fourth building at the airport's second passenger terminal (CDG 2) is scheduled to be in operation by 1992 at an estimated cost of 800 million francs ($140.3 million) as part of Aéroport de Paris's investment program of 9 billion francs for the period 1990 to 1995, Mr. Reder said.

The French company Bouygues has been awarded the contract for the fourth building at CDG 2, building C.

The third building at CDG 2 was constructed by the French concern Dumez. Half of it was put into service in 1989; the other half is to be opened in 1991.

The proposed TGV linkup with the airport will enable passengers to travel by rail uninterruptedly, for example, from Bordeaux to Charles de Gaulle in 3½ hours, saving at least 45 minutes on current schedules and eliminating the stress of waiting for a taxi or a bus at the Paris Gare Montparnasse, Mr. Reder said.

"With the TGV, the passenger will arrive 100 meters from Aérogare 2 and Aérogare 3. A people mover, a small driverless Métro train, will be installed to take him to Aérogare 1."

As the high-speed train networks develop, planners at Aéroports de Paris's 300-member Studies Office hope Charles de Gaulle will become a hub for traffic from France, Belgium and Germany as well as Britain, capable of carrying up to 80 million passengers.

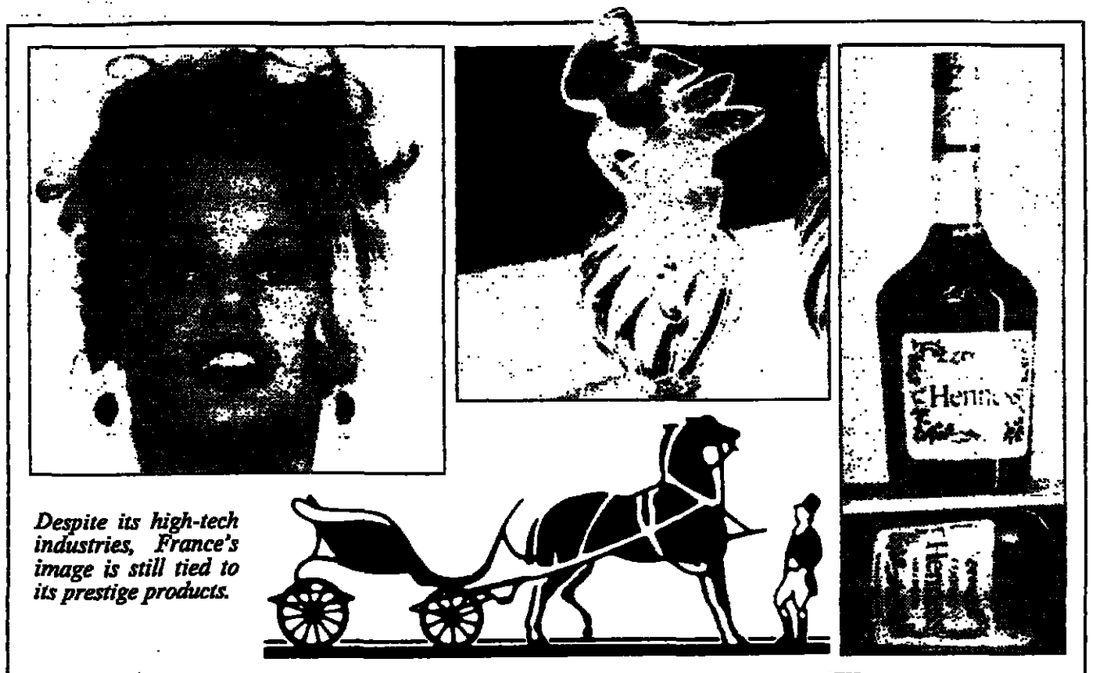
Users of Charles de Gaulle traveling by road will benefit from improvements to the A1 expressway, which is scheduled to be completed in 1991, and from new connections to nearby towns to be opened in 1994.

Some 4,000 extra parking spaces are to be built at Charles de Gaulle and Orly over the next three years, under the investment plan.

Work is under way at Orly to adapt the second and third halls to the needs of larger aircraft.

Traffic at the two main Paris airports, Orly and Charles de Gaulle, together increased by 10.5 percent in 1989 to 45 million pas-

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Despite its high-tech industries, France's image is still tied to its prestige products.

HERMÈS

Selling Glitter to World Gets Tougher

Special to the IHT

PARIS — After a decade of phenomenal growth, the French luxury goods industry faces tough challenges in the 1990s in an increasingly competitive global marketplace for prestige products.

Major French exporters of luxury goods will be seeking to consolidate their positions in traditional European markets as well as the United States. The principal growth markets, however, will be in Japan and in Southeast Asia, where newly affluent middle classes are actively seeking status symbols reflecting their prosperity.

In spite of its somewhat frivolous image, the luxury goods industry is a big and highly profitable business, attracting ambitious and creative individuals as well as investors looking for a sector with growth potential.

"Luxury is for France what electronics are for Japan," said Christian Blanckaert, president of Comité Colbert, the French trade organization encompassing 70 of the leading companies in the sector. Indeed, luxury goods are France's second largest export earner, behind agro-business but ahead of defense.

Cognac exports alone represent some $1.3 billion, the equivalent of 30 Airbuses. The fashion and accessories industry, for example, derives 80 percent of its annual $4.5 billion revenues from exports.

If Paris remains the mecca of the luxury goods industry, competition is stiffening from traditional prestige companies in Italy, as well as relative newcomers in the United States and Japan.

"If the Italians, with their creative flair, have a strong position in the fashion business, Americans are strong in perfumes and wines," said Mr. Blanckaert. "The Japanese are making great strides, too, particularly in cosmetics and fashions."

Nonetheless, only France has such a wide and diverse array of luxury goods concerns, covering the entire range of prestige products. "The French try to play up their high technology industries, but in many ways the traditional image of France as a producer of fashions, perfumes and champagne corresponds to reality," said a French analyst.

A prestigious name and image is no longer sufficient in the battle for global market share. Companies also badly need creativity and modern management and marketing techniques to assure their future. This should spur further restructuring of the French luxury goods sector in the 1990s as companies attempt to sharpen their competitive edge.

"Today, big groups are necessary for they are the only ones with sufficient financial

Continued on page 12

Companies Rush To Globalization

Beefing Up for Competition

By Howard Schissel

PARIS — French companies are flexing their muscles on the international scene in an unprecedented drive to rapidly attain critical mass, broaden their geographic base of operations and diversify activities as the countdown draws near for the single European market.

"This drive to achieve heavyweight status and globalize activities has become a veritable obsession with senior French executives," said Paul Goldschmidt, manager at the Paris office of consultants, Bain & Co.

French corporate ambitions stretch beyond Europe. If a bevy of French companies has been on a shopping spree in North America, only the most intrepid are venturing into the Asian arena.

Part of a sweeping corporate restructuring effort, this investment thrust abroad reflects the feeling that French companies are at a distinct disadvantage in a climate of intensifying world competition. Indeed, few really have a global reach or a dominant position in their core market.

By the same token, corporate leaders reckon that exports alone are not sufficient to ensure penetration of new markets. "It is through acquisitions that French companies hope to make up for lost time and become serious contenders," said Mr. Goldschmidt.

Underlining this French "inferiority complex" are stark figures. In Europe, West German and British counterparts are respectively 65 percent and 55 percent larger; American and Japanese corporations tend to dwarf their French rivals.

It is not surprising, then, that external growth is the linchpin in the strategy of major French companies for the 1990s. A recent Bain survey of 300 leading French business groups revealed that acquisitions were their No. 1 priority, above research and development and expanding existing operations through internal growth.

In fact, between 1988 and 1992, French managers felt that acquisitions would account for 75 percent of their growth, two-thirds of which would be outside France. By 1992, foreign output for the top 300 companies in France is expected to climb from 18 percent to 24 percent of total turnover.

This stampede for heavyweight status meant that French companies were again champions in 1989 for cross-border acquisitions. According to Translink's European Deal Review, French companies made 168 foreign deals last year worth 9.7 billion ECUs, 50 percent more than either West German or British firms.

The private sector has been able to tap capital markets to fuel its overseas expansion and dip into record profits — France's top 50 companies chalked up earnings in 1989 totaling 102 billion francs ($18.2 billion).

Firms in the public sector have been even more active in acquisitions. Despite their limited access to capital markets, some sophisticated financial engineering has allowed them to mobilize funds to fulfill their international ambitions.

They have been encouraged by the French government, even allowing assets of the aluminum and packaging firm, Pechiney, to be partly "privatized" through the flotation of preference shares in Pechiney International, an entity comprising the group's foreign operations.

Moreover, Rhône-Poulenc issued a new type of nonvoting participating shares with warrants, while the unprofitable Compagnie

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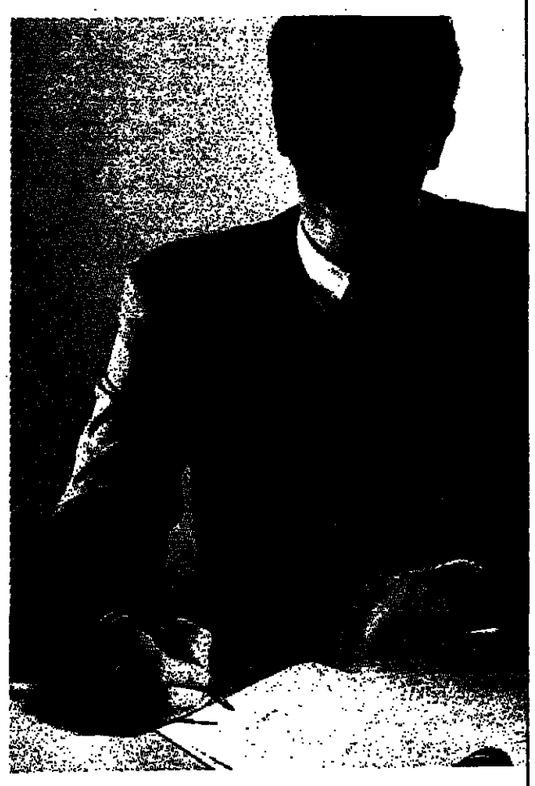
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Franc Declares Independence And Seeks Larger EMS Role

By Brian Martin

PARIS — The foreign exchange and bond markets' concern over German economic and monetary union has, to a large extent, forced a re-evaluation of the individual currencies within the European Monetary System.

With the exception of the Dutch guilder, most member currencies have demonstrated some degree of independence from the Deutsche mark, while the French franc, the second most important currency in the system, is poised to play an enhanced role in the Exchange Rate Mechanism of the EMS over the coming years.

Therefore, Finance Minister Pierre Bérégovoy's assertions that the franc must now be seen as independent of the Deutsche mark must, to some extent, be believed. Recent interest rate cuts by the Bank of France indicate this newfound independence. But, while the franc remains at a discount to its central rate against the Deutsche mark, it is apparent that the market is not yet convinced by Paris's bid to have the franc seen as a truly hard currency. Indeed, the franc looks set to trade within a 3.40 to 3.36 or 3.35 range against the Deutsche mark for the foreseeable future, with the central bank likely to take the opportunity to cut interest rates once the currency reaches the top of this band.

Meanwhile, any talk of a French franc devaluation within the EMS this year appears to have evaporated. The present lack of evident pressures within the Exchange Rate Mechanism of the EMS, the moderately weak stature of the Deutsche mark and the better than expected performance of the French economy this year support this view.

Earlier arguments that the franc might have to devalue within the EMS hinged on structural problems related to the trade deficit and unnecessarily high interest rates, which would have affected growth. However, instead of weakening, early May of this year saw the currency rise to its highest level against the Deutsche mark since October 1987, before falling back on Bank of France interest rates cuts, especially the one on April 26, and President François Mitterrand's poor showing in the opinion polls.

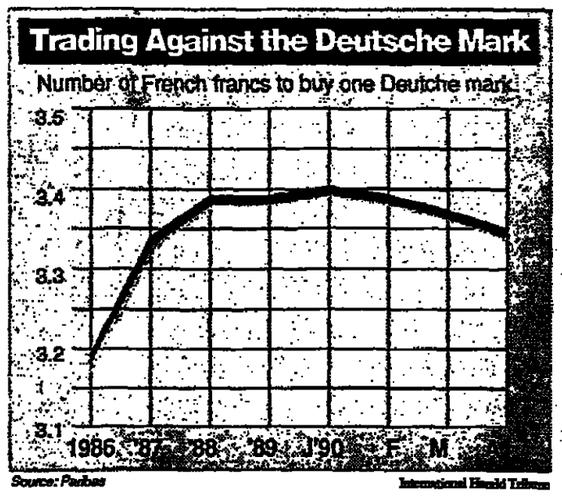
Additionally, there appear to be few external factors that could radically alter the position of the franc within the system. The British pound is unlikely to enter the Exchange Rate Mechanism of the EMS at too low a value, while economic union in Germany is likely to bolster French growth — currently, 16 percent of French exports go to East and West Germany. With domestic fundamentals also expected to remain intact — the current account deficit is unlikely to exceed 1 percent of gross domestic product — the currency should regain some of its recent lost ground over the coming months. Lingering uncertainty over German economic and monetary union should also work in the franc's favor, while the bond market is likely to remain one of the most preferred on a European basis.

So, apart from German reunification, why is it that opinion on the franc has altered? The answer is probably fourfold.

First, despite recent interest rate cuts, Paris's mix of prudent fiscal and tight monetary policies has reduced inflationary expectations within the economy while growth has remained strong. This year, the budget deficit is targeted at 90 billion francs, down 10 billion from 1989. Monetary growth is also under control. In March, M-2 money supply growth rose by an annualized 2.6 percent against a target range of 3.5 to 5.5 percent, and down from 3.5 percent in February. GDP growth, on the other hand, is likely to be between 3 percent and 3.5 percent this year, little changed from 1989's 3.7 percent rise.

Secondly, the trade position has not deteriorated in the way that many had predicted. Between January and April of this year, there has been a cumulative deficit of 6.7 billion francs, down from 8.6 billion in the same period of last year. INSEE, the French national statistics institute, forecasts that the trade deficit for all of 1990 should drop to 42.1 billion francs, down from 45.7 billion last year as the deficit on manufactured goods improves. But some economists remain skeptical over the development, citing lower import prices due to franc strength as the primary reason for the improvement.

Third, the political situation in France is arguably one of the most stable in Europe at the moment and is likely to remain so for the foreseeable future.



Fourth, due to the relatively high rate of unemployment (March data show unemployment at 9.4 percent), unit labor costs are likely to remain well under control although they might rise from their present negative position. Combined with the tight fiscal and monetary policies, this will ensure that French inflation will remain close to 3 percent per annum this year, one of the lowest in Europe. For France, therefore, the opportunity for competitive gains looks good.

"France's performance is all the better compared with its neighbors because inflation worldwide is tending to accelerate at the moment," according to INSEE. "Inflation in our main trading partners is hovering around an average annual 4.7 percent." For the fiscal year ended in April, French inflation rose 3.2 percent.

But within the framework of the EMS, this does not mean that France has the scope to lower interest rates that much further. If Paris and the franc are to play an enhanced role in the stability and development of the EMS, the Bank of France will have to play close attention to the external value of the franc.

BRIAN MARTIN is the editor of Euromoney's Treasury Report.

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Bourse Fever Cools Down

By Jacques Neher

PARIS — After a surge of international money sparked a run-up in share prices earlier this spring, the Paris Bourse appears to have run out of steam.

Despite continuing strong economic fundamentals underlying French stocks, analysts believe the market has little upward potential in the months ahead. They point to worries over interest rates, a rash of new capital-raising issues that they predict will drain the domestic market of cash, the retreat of foreign investors who have found greener pastures, and a sharp falloff in takeover action.

Adding to this environment are new fears, stoked by President François Mitterrand, of a hike in the capital gains tax. Mr. Mitterrand, believed to be seeking a turnaround in his sagging popularity ratings by returning to his Socialist roots, has proposed tax penalties for real estate speculators, "those who enrich themselves by sleeping."

Such talk chilled Bourse professionals, who feared that stock market gains could be next on the president's hit list. As a result, the market slumped, the yield on 10-year government bonds rose and the franc came under new pressure.

"I see the Paris market trading sideways for some time to come," said Ian Furnivall, a French-market analyst with UBS/Philips & Drew in London.

"This is a market without a trend," added Philippe Tannenbaum, analyst with Paris broker Goy-Hauvette. "People are watching their stocks. When they gain, they take their profits and then wait for the next opportunity. In a situation like this, the market could end up either up or down 10 percent by the end of the year."

Indeed, over the past month, the CAC-40 blue chip trend index has vacillated between 2,050 and 2,120 in light trading, while the broader SBF-240 index has yo-yoed between 545 and 565.

That performance represents a marked contrast to April, when the CAC-40 broke a string of records, ending the month up 5 percent. Trading volume in the month soared more than 40 percent.

Despite the April run-up, for the first five months, the Paris market had gained only 1.4 percent.

Driving the April surge was a flood of investments from large international institutions, much of it from American pension funds, that had built up large positions in German "perestroika plays" and suddenly decided it was wise to pull back from those then-inflamed markets. Wishing to keep their money in Europe — "the most attractive place to be for the next decade," according to one London fund manager — they all piled into the French market.

> Foreign investors jumped into the market, then out.

Analysts say the foreign investors, needing to shift their money on technical grounds, considered Paris a safe haven because of its strong economic fundamentals.

"The French economy is doing quite well," said Guillaume Savard, a trader with DLP/James Capel in Paris. He pointed to projections for 1990 that call for gross domestic product growth of around 3.2 percent, capital spending increases of 10 percent, inflation of around 3 percent and corporate earnings growth of 10 percent to 12 percent.

Although the economics have not changed, the foreigners quickly lost interest in Paris once their portfolios were rearranged, turning their interest instead to Wall Street, Tokyo and London, which have all soared over the past month. Opinion is mixed as to if and when they will return to Paris.

Meanwhile, the market is left to the French, who continue to be fearful of an increase in already high interest rates.

"The market is very fragile," said Mr. Tannenbaum. "At the least bad news on interest rates, the market could plunge."

Analysts also point to a liquidity problem. Although an estimated 30 billion francs to 60 billion francs ($5.26 billion to $10.52 billion) is expected to be paid out this spring in dividends by French companies, most of it will be in the form of new shares instead of cash. And many of those who elect to receive cash are expected to invest it in the money market, currently yielding around 10 percent.

Already, the money market has increasingly turned into a major competitor for the Bourse. In the first two months of 1990, close to 70 billion francs were pumped into 316 money market mutual funds and the recently introduced PEP savings plans, some of which are guaranteeing full-year returns of more than 9 percent, have already soaked up an additional 16 billion francs.

Further, market professionals see a string of major capital-raising issues coming on the market this summer that they fear will absorb whatever cash is left floating around on the market.

A juicy takeover bid or two could help ignite the market, as they have over the past few years, but Bourse professionals are not holding their breath. They say the prospect for a hostile takeover is now quite slim, particularly after the crushing defeat suffered last fall by merchant bank Paribas in its unfriendly 26.2-billion-franc bid for Navigation Mixte, the transportation, food and insurance conglomerate.

JACQUES NEHER is a financial journalist based in Paris.

Shadow of Government Still Looms Over Banking Sector

By Gary Humphreys

PARIS — The French banking sector, gearing up for participation in the European single market, is being hampered by a tradition of centralized, government-administered finance.

Olivier Robert de Massy, director of research at the French Banker's Association (AFB), has no doubt about the urgent need for change: "We talk about a single European market in banking," he said, "and we don't even have a single French market."

The most obvious distortion concerns the status of specialized credit institutions such as the giant Caisse de Dépôts et Consignations (CDC) with assets of around $228 billion, which centralizes the deposits gathered through the Ecureuil savings bank network. In return for its commitment to finance low-cost housing, among other things, the CDC is authorized to attract deposits with its passbook A, which pays 4.5 percent tax-free.

Crédit Mutuel, another institution with special status, offers its "Blue Book," which pays the same rate. "Since the war, these special-status institutions have had access to cheap sources of liquidity," said Mr. de Massy, who argues that the banking sector suffers as a result.

Since 1982, the leading French banks have followed a policy of shedding excess labor to get lean for the coming European market. BNP, the leading AFB bank, has been reducing its workforce by 2 percent per year; Crédit Lyonnais is also shrinking its workforce at about 1 percent per year. Crédit Mutuel is the only credit institution in France that continues to open new branches and to increase the number of employees.

"If they had to compete on equal terms, they would be reducing their workforce like the rest of the banks," said Mr. de Massy.

While special-status institutions make it harder for the French banks to attract deposits at competitive rates, other government fiats reduce profitability. France is the only country in Europe where banking services such as checks are free of charge even though the processing of check payments represents 50 percent of the banks' costs.

The reverse side of this problem is that the French banks cannot afford to remunerate sight deposits. This reduces their ability to compete for resources in the European market. At the beginning of the year, the last of the French exchange control regulations was lifted so that the French can now hold accounts abroad.

Daniel Lebegue, a director at BNP, expressed worry that a flight of capital would take place once the barrier came down.

This appears not to have happened, partly because the French tax authorities have been waving their big stick at anyone considering avoiding taxes at home. Another reason for the relative viscosity of the domestic savings is the success of the French fund industry, which represents half of the European total. With products such as short-term money-market funds, the French banks have been able partially to compensate for their lack of remunerated current accounts.

However, funds attracted in this way differ from ordinary deposits inasmuch as they do not appear on the banks' balance sheet, and so do not have a direct impact on their capacity to lend. Banks can sell their certificates of deposit to the funds, but this is only a partial solution to the problem. It is likely to be a while before remunerated accounts appear in France.

"As long as we cannot charge on checks, there will be no question

> There are clear examples of European moves being blocked because a bank was owned by the state.

move into the private sector and had made plans to exchange shares with the German giant Commerzbank as soon as the sale went ahead. In the event, the bank stayed in the state sector and the deal was scrapped.

As William Vincent, a European banks analyst at UBS/Philips & Drew in London, points out, "Foreign partners looking for close links with a French bank would be likely to ask themselves if decisions were going to be taken for business reasons or for political reasons."

Another obstacle to European expansion for banks remaining in the state sector concerns their capitalization. According to the IBCA, a London-based credit rating agency, both BNP and Crédit Lyonnais comply with the Cooke ratios, but only just. Unable to call on the private sector for equity increases, these banks have had to resort to instruments such as nonvoting shares to boost their capital. These have not been a resounding success. BNP's nonvoting shares, for example, have underperformed the market by 30 percent since their issue in 1986.

Crédit Lyonnais managed to boost its capital base by calling on the CDC to take a 1.5 billion-franc stake in the bank, a stake which, it is rumored, the CDC was not particularly keen to hold. At the same time, when one considers that the principal resource of the CDC is cut-rate, government-protected savings, one can understand the anger of banking professionals. Why not let Crédit Lyonnais call on the market directly, instead of siphoning off funds from unwitting depositors?

Finally, the effect of years of state influence may be even more pernicious as far as banking strategy is concerned. This has to do with mentality rather than structure.

As one professional put it: "The banks are only just beginning to understand what a strategy is." BNP has taken an indicative step in this area by appointing Michel Vaquin as director of strategy. Mr. Vaquin has been imported from the manufacturing industry in the hope that he can bring a different viewpoint to the bank.

However, according to a source who asks not to be named, Mr. Vaquin is finding it tough going at the bank. "He speaks a language that the others do not understand."

GARY HUMPHREYS is a financial journalist based in Paris.

BEAUTY CARE:
A SCIENTIFIC
ADVENTURE

L'Oréal has two consuming passions: beauty and research. In 1907 the company made a bet on research and created the first synthetic hair colourants. An innovative product which responded to the consumer's demand for quality, a strategy to which L'Oréal remains dedicated. Today L'Oréal is the world leader in the cosmetics industry. A dynamic force. A formidable success. The result of continuous dedication to research. L'Oréal has the most effective Fundamental and Applied research laboratories in the world. More than 1,000 researchers are involved in the discovery and perfection of new formulae and new products. More than 100 original patents are filed each year, leading to several hundred international extensions. Research and Marketing teams work together in close harmony. A highly effective interaction. L'Oréal devotes itsel to research. L'Oréal also devotes itself to the market – this is essential to keep in touch with the consumer, to be aware of new needs, and to develop new markets. Established in over 150 countries, this French company is the most international of the world's major cosmetic concerns.
L'Oréal.

L'ORÉAL

Business Figures Add Up to Confidence

Special to the IHT

PARIS — In April, the OECD annual report on France confirmed the positive view taken by the French economics institute INSEE and private-sector sources such as Paribas, which published its April report on the economy under the title "La France Sans Complexe."

The OECD report forecast gross national product of around 3 percent for the next two years, down from last year's 4.1 percent, but "less pronounced" than the decreases forecast for the rest of Europe.

At the end of the first quarter, the trade deficit had dropped to a monthly average of 700 million francs ($123 million). From November 1989 to March 1990, the monthly average was around 1.4 billion francs, compared with almost 4 billion francs monthly in the preceding 12 months. A large part of this decline is explained by the appreciation of the franc against the dollar, yen and pound.

However, economists at INSEE warned that first-quarter figures were also affected by the fall in oil and nonferrous metal prices as well as by the unusually high grain exports and by the strike at British Aerospace, which distorted figures for the Airbus consortium. British-made parts were not imported during the period, while the sale of aircraft completed in France continued. The following months will see this movement inverted as parts come into the country and fewer aircraft (the delay in parts delivery will slow down manufacture) are exported.

The trade figure for April (a 4.31 billion-franc deficit) marked a return to last year's levels. Nevertheless, it is widely believed that France's trade performance has reached a turning point. INSEE estimates that the cumulative first-half deficit will be in the region of 10 billion to 15 billion francs. This figure was revised down from 25 billion francs forecast at the beginning of March. The Commission des Comptes is forecasting a deficit for 1990 of around 42 billion francs, compared with 44 billion francs in 1989.

IN THE short term, production is disappointingly low and is being surpassed by buoyant internal and external demand. Foreign demand is forecast to increase by 8 percent in the first half, 2 percent higher than originally estimated. The main sources of external demand are West Germany, the United States and the United Kingdom.

For the time being there is no overheating. INSEE believes that this is because accumulated stocks, which many industrialists consider high, are being used to meet demand. The strong franc has also had a positive effect on inflation. Retail prices fell to 0.8 percent in the first quarter and are unlikely to surpass 1.7 percent over the first six months. Another positive influence has been the fall in agricultural prices and the decline in petroleum prices, to which the French economy is particularly sensitive, in mid-January.

Prices for manufactured products are similarly stable, with a rise of 1.2 percent forecast for the first six months. A slight acceleration in the price of services is forecast. In inflation terms, the French economy compares favorably with its principal partners, where inflation runs at around 4.7 percent annually compared with 3.1 percent estimated for France.

Unemployment, set to hover above the 9 percent mark at the end of June, remains a problem, although 120,000 new jobs were created in the first half. Salary increases remain moderate: The average hourly rate increased 1.2 percent in the first quarter and is forecast to rise 0.9 percent in the second.

In this generally rosy picture several areas give cause for concern. Senior economists in the government of Prime Minister Michel Rocard believe that the financial position of French corporations indicates increased vulnerability to downturns. The continued strength of productive investment and the ability of French companies to finance this investment largely out of cash flow are seen as important indicators of economic health.

PRELIMINARY national accounts for 1989 published by INSEE in May confirm that there was a decline in corporate self-financing ratios to 82.8 percent compared with 87.7 percent in 1988, 87.8 percent in 1987, and 92.5 percent in 1986. This decline was more apparent in the private sector, where it fell to 81.7 percent against 87.2 percent in 1988. State-owned companies managed 89.4 percent, only slightly lower than the figure for the previous year.

A report produced by Crédit National based on a study of 60 of France's largest industrial and service companies shows a reduction in cash flow this year while investment continues to grow by around 15 percent. In order to soften the effect of this reduction, the government has decided to further reduce corporate tax rates on undistributed earnings.

Another area of weakness concerns the vulnerability of the economy to future changes in the price of oil. While an oil crisis is unlikely in the short term, the mid-1990s might see a recurrence. France produces only 4.1 percent of its petroleum needs.

The OECD stresses the importance of a reduction in unemployment, which should be achieved through sustained growth but also through increased flexibility in the labor market. Another recommendation concerns further liberalization. In the words of the report, "It is necessary to further open up the economy to the discipline of competition."

Gary Humphreys

BNP: THE FUTURE IN HAND

1989 : BRISK ACTIVITY, STRONG INCOME GROWTH.

In the midst of an extraordinarily eventful year and an international context of economic growth and financial market volatility, BNP successfully reasserted its basic ambitions : strengthening its position as leading universal bank in France and playing a major role in banking in Europe and the rest of the world.

In France and abroad, BNP increased market share, developed networks, enlarged the range of its products and services, modernized its operating facilities and strengthened its financial structures.

Professionalism, quality and innovation are the key values of our corporate plan, serving every category of customer. BNP has its future well in hand.

■ THE LEADING UNIVERSAL BANK IN FRANCE

1989 was a year of **brisk activity for BNP,** with strong growth in deposits, lending, asset management and financial transactions.

The bank thus enlarged its share of the market, particularly with respect to private customer and small and medium-sized company lending. At the end of 1989, assets managed by BNP (deposits, UCITS, life insurance) reached FRF 480 billion, increasing by 12.8%.

The agreement with UAP enabled BNP to offer a broader range of services and to diversify channels of distribution : "insurance windows" have already opened in a number of branches.

BNP developed its network : Banque de Bretagne joined the Group with its 78 branches and its subsidiary Banque de la Cité.

At the same time the bank increased the pace of **modernization of its operating facilities.** In its branches, renovated and more functional, 15,000 multi-purpose work stations have been installed, with direct data acquisition capabilities for customer transactions. More than 1,000 BNP automatic teller machines are now available to the public.

On financial markets, BNP bolstered its number one position in share flotations (52 transactions), stock market listings (9 listings on the second market), commercial paper and certificates of deposit.

■ A MAJOR GLOBAL PLAYER

In pursuing its international development, BNP has decided to base its growth on a policy of alliances, acquisitions and international developement.

A close relationship has been established with DRESDNER BANK. In Italy, BNP has become a shareholder of CREDITO ROMAGNOLO. BNP ESPAÑA alone opened 15 new branches in Spain in 1989.

The bank has returned to countries with which it has historical ties : Algeria, Vietnam, Madagascar. It broadened operations in Indonesia and Turkey and opened a subsidiary in Uruguay. The establishment of a leasing company in the USSR and a financial company in Hungary are the first stages of an active penetration of Eastern Europe.

In view of the Single European Market, BNP launched the first comprehensive line of European mutual funds, based in Luxembourg.

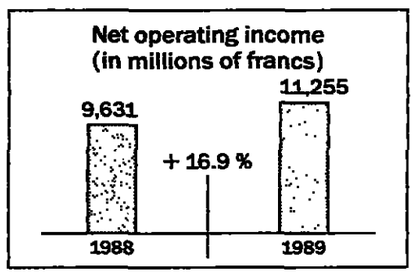
Three figures highlight the increase in BNP's earnings.

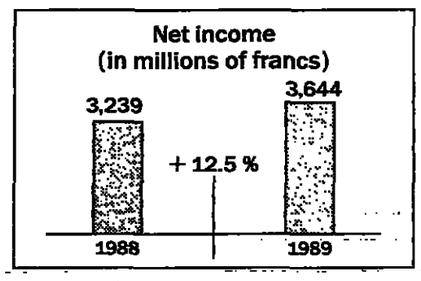
For the first time in its history, BNP's net operating income exceeded FRF 10 billion, reaching FRF 11,25 billion, a 16.9% increase.

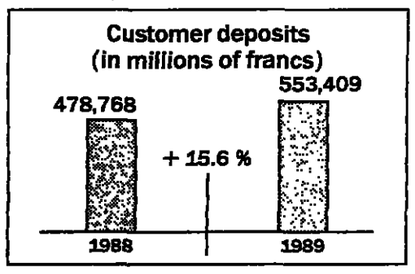
Net income for the Group rose to FRF 3.65 billion (+ 12.5%).

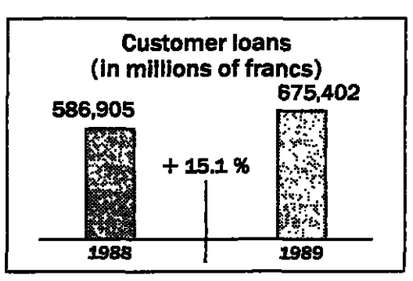
The dividend, including tax credit, of FRF 21.60 (versus FRF 19.50 in 1988) represents an increase of 10.80%.

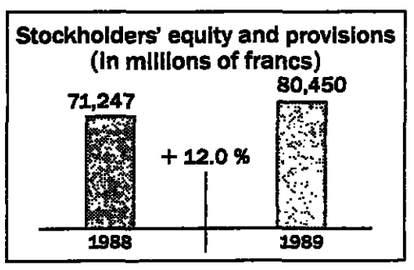
BNP 1989 : KEY FIGURES

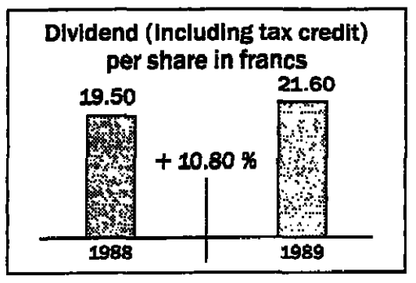












WORLD BANKING IS OUR BUSINESS

BNP

MEDIA-FINANCE



Bernard Annebique/Sygma

Each year on a fixed date (May 24) in France's Aubrac region, the cows are taken to their summer pastures on the plateaus.

Europe's Breadbasket a Victim of Success

By Jacques Neher

PARIS — Although France has long been famous for its food, these are not the best of times for the 900,000 farmers who produce it. Many have just had to suffer a price freeze for their output because of European Community agricultural policy that penalizes overproduction, while environmentalists are attacking farmers for polluting the environment, and, to cap it off, a severe drought this year threatens at least one important crop.

And against these topical problems is a long-running structural crisis, caused by demographics and the difficult economics of French farming, which is causing the rapid abandonment of productive farmland, particularly the smallest parcels.

Despite these myriad problems, however, food continues to be one of the few bright spots in France's trade picture. In 1989, the farm and food industries sold 183 billion francs ($32 billion) worth of goods to other countries, 51 billion francs more than France imported.

That surplus, 22 percent greater than in 1988, was the saving grace of an otherwise disastrous trade performance. With industrial trade rapidly worsening, France last year suffered a total merchandise trade deficit of 43.7 billion francs.

Wine and spirits represented the biggest export category, generating 33.8 billion francs in sales, followed by cereals, 33 billion francs; meat and poultry, 24.3 billion francs; and dairy products, 18.4 billion francs.

But, even the country's food trade surplus is being threatened, according to experts. Agriculture Minister Henri Nallet, addressing the French Senate last fall, warned of "great deficiencies" in the food processing industry, notably the lack of world-scale companies with the means to invest in modern industrial processes and in research and development. He said these structural problems are causing "a slow but continuous worsening" of the country's trade balance for processed foods.

Food processing accounts for 3.2 percent of France's gross domestic product, while agriculture currently contributes about 3.6 percent to the value of the nation's total output of goods and services. In 1970, these two industries accounted for more than 11 percent of the GDP.

Despite its relatively small, and still-shrinking, importance in the country's economy, France is counted on as the breadbasket of Europe. It is the world's second-largest food exporter behind the United States, and accounts for 40 percent of the EC's production of oil plants such as rape and sunflower seed, 33 percent of its cereal grains, and 25 to 30 percent of its cattle, poultry, milk and sugarbeet production.

> Food continues to be one of the few bright spots in France's trade picture.

Community members take up about 70 percent of France's food and farm exports. In 1989, Italy had the longest grocery bill, buying up 29.4 billion francs worth of French food. It was followed by West Germany, the Netherlands, Belgium/Luxembourg and the United Kingdom.

To a large degree, say experts, French farming has become a victim of its success. Farmers, employing new methods and equipment, have learned to produce more and more from their land each year with fewer people, resulting in a vicious cycle of oversupply, falling prices and shrinking farm revenues.

In 1970, for example, France produced 12 million tons of wheat and 7.4 million tons of corn. Last year, the country produced around 32 million tons of wheat and 12.4 million tons of corn.

In the same period, the country lost 600,000 farms, though the remaining 982,000 farms became larger, with the average size increasing from 19 hectares (47 acres) in 1970 to 29 hectares by 1987.

Farm revenue, which sank through most of the 1970s and stagnated in the 1980s, began to pick up over the last three years, due largely to the EC's Common Agricultural Policy (CAP), which has sought to reduce large stockpiles of various farm products.

The CAP, for example, established a quota system for milk producers, penalizing those who produce more than the set ceilings, while providing financial incentives for dairy farmers to get out of the business. As a result, since 1983, the number of dairy cattle in the country has been cut by 1.5 million head, and milk production has been reduced by about 2 billion liters (2.1 billion quarts) a year.

Last year, farm revenues in France rose 8.5 percent, but economists question whether this recovery can be maintained. With prices falling in the important grain sector, which alone accounts for more than half the land in production, gross revenues for cereal producers have fallen nearly 5 percent in the past year.

There does not seem to be much improvement in sight. John Tjaardstra, economist with the International Wheat Council in London, predicted that French wheat production this year would top 33 million tons, reaching the same level as in the peak production year, 1984.

France's failure to reduce wheat production, say observers, can be traced, in part, to the government's less-than-enthusiastic response to a set-aside program established under the CAP last year. In that program, member states could offer bonuses to grain producers that took land out of production. A quarter of the bonus would be reimbursed by the EC.

While West Germany took 170,000 hectares out of production last year under the program, France, which offered a much lower incentive to its farmers, withdrew only 3,000 hectares from production.

The foot-dragging sparked a threat recently from Brussels. "France has committed an error," said Guy Legras, agriculture director of the European Commission. "If it wants to avoid a quotas policy, it should play the set-aside game."

Adding uncertainty for the future of French agriculture is the outcome of a bitter dispute between the United States and the European Community over how far to go in dismantling farm subsidies. The United States wants to see all subsidies eliminated, while the EC maintains that some subsidies should be retained. Both sides are committed to reaching an accord this year within the context of the current Uruguay Round of the General Agreement on Tariffs and Trade.

Meanwhile, a continuing drought, particularly severe in southwestern France, is sure to hurt corn producers this year. Mr. Tjaardstra predicted an output of 12 million tons, down from 13 million tons in 1989 and 14.5 million tons in 1988. Since September of last year, the southern half of France has received less than half its usual rainfall, and in May, precipitation also fell severely in the northern half.

Mr. Nallet, the agriculture minister, recently went to Brussels seeking a more flexible farm policy so that drought-hit farms could switch from corn to crops that consume less water, such as sunflowers, without being penalized under the system that links price supports to production levels.

The drought has also intensified environmental concerns because rain is needed to dilute agricultural wastes. Longer term, the government is stepping up its research efforts to develop less-polluting farming methods while it provides incentives to farmers who invest in "greener" technology.

Government Relaxes Controls To Show It's Investor-Friendly

By John Phillips

PARIS — President François Mitterrand's government is relaxing controls on investment from outside France as the Single Europe Act of 1992 approaches, attempting to eradicate the impression that the country is often hostile to foreign investors, economic experts say.

Authorities in Paris announced in January that large European Community companies no longer would need government approval before investing in France, except in the strategic sectors of national defense, public health and public order.

The decision was part of plans by Finance Minister Pierre Bérégovoy to encourage foreign investment in France, according to Louis Le Pensec, the government spokesman.

The exemption applies to all EC companies with annual sales of more than 1 billion francs ($174.7 million) that have been in existence for at least three years.

Until January, EC companies required official approval for any investment in France. Under Mr. Bérégovoy's plans, smaller EC companies still require permission. But the government now has to rule within two weeks of an application. Previously, a reply could take up to two months.

Controls on companies from outside the community also were loosened. Non-EC companies still must inform French authorities of any investment plans involving more than 10 million francs.

> Until January, EC companies required official approval for any investment.

BUT if no official answer is forthcoming within one month, the investment is cleared by default.

Mr. Le Pensec said the new rules also cover acquisitions and spending on new production facilities. The relaxation was designed to encourage a "better balance" between French investment abroad and foreign investment in France, the spokesman said.

French investments abroad totaled 71 billion francs for the first nine months of 1989 compared with only 21 billion francs invested by foreign concerns in France.

Foreign investors are taking advantage of the January changes in the rules to enter some sectors that traditionally have been the exclusive preserve of French firms.

In February, for example, Hardy Wine Co., one of Australia's three largest wine producers, bought the idle La Baume Winery in southwestern France's Languedoc region, and said it planned to produce its first vintage next September.

The renamed Hardy la Baume is set on 68 hectares (168 acres) of vineyards near Béziers in France's largest wine region. Sales will be directed at Britain, the United States, Japan and Europe, including France, group Managing Director Wayne Jackson said.

Other leading Japanese investments in France include the acquisition in March of one of the top cognac houses, Louis Royer, by Suntory Ltd., part of a growing Japanese move into the French luxury goods sector.

Before the recent changes, overseas investors had made some inroads into French markets. But some of the acquisitions sparked controversy and debate in France.

Last November, for example, Nippon Life Insurance Co. unveiled plans to buy almost a third of the Forum des Halles shopping center, a thriving multilevel underground complex in the heart of Paris.

The complex was built in the 1970s on the site of the city's old general food market. Parisians regard the location as part of a bygone age.

The stake gives Nippon Life almost a third of the annual rent paid by commercial premises in the mall, which was worth 123 million francs last year.

The prestigious Paris restaurant Lucas-Carton and the chic hairstylist Carita also have been sold to Japanese concerns. Japanese investment in France in 1988 amounted to the equivalent of $463 million, or 1 percent of Japanese investment abroad.

Despite the changes introduced by Mr. Bérégovoy, the idea of foreign investment in key French sectors still meets opposition from some sections of public opinion, including Communist labor union leaders, who say they are worried that foreign rationalization techniques could lead to layoffs and lower wages.

At the end of April, the minority government of Prime Minister Michel Rocard used emergency powers to force through the legislature a bill partly shedding Renault's special status as a nationalized concern.

Mr. Rocard invoked a special clause in the constitution to put an end to filibustering by Communist Party members opposed to the change, which was necessary before Volvo AB of Sweden could take a 25 percent share in the carmaker. Communists alleged the Volvo accord was a "Trojan horse" to allow Japanese interests into the corporation.

Industry Minister Roger Fauroux went to Tokyo last year to meet with industrial executives and government officials "to convince them that France welcomes Japanese investments," a ministerial spokesman said.

Mr. Bérégovoy also wooed the Japanese, saying, "Better the Japanese than the unemployed."

"Our wish is to get rid of this restrictive attitude that our country has had for so long," he said. "The investments have gone to our neighboring countries. . ."

Only two or three years ago such an open-door policy would have been unthinkable, particularly in the car industry, where the interests of protecting Renault and the private concern Peugeot S.A. from foreign competition used to be considered paramount.

In 1978, the government opposed a plan by General Motors Corp. to build a plant in the eastern region of Lorraine that would have created as many as 7,000 jobs. The plant went to Saragossa, Spain.

France last year failed to attract two Toyota plants, which went to Britain instead.

Fuji Heavy Industries Ltd. last July backed out of a project to build an assembly plant for Subaru four-wheel-drive vehicles near Angers.

West Germany, as well as Japan, has caused fears in French industrial circles in the past. A French business magazine, Challenges, recently reported that West Germany was so strong economically it could "eat France for breakfast tomorrow."

MR. FAUROUX replied, "We have lots of companies vulnerable to takeover. But the Germans have understood perfectly that if they try to enter France in force, they will be rejected."

Industry experts say part of the French image problem for investors from abroad is rooted in fears of Mr. Mitterrand's Socialist ideals, despite his steady shift to the political center since he assumed power in 1981.

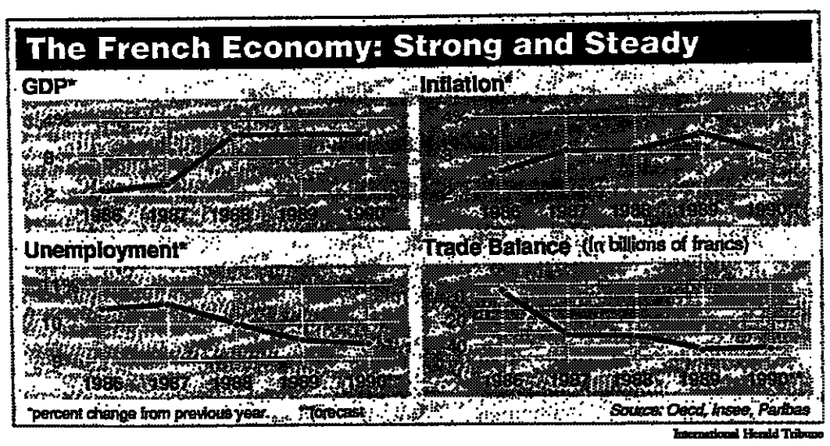
As recently as February 1989, Mr. Mitterrand launched a fierce attack on the evils of unfettered capitalism, denouncing easy money-making and "gangsterism" in financial markets.

Nevertheless, American and other international investors, becoming more cautious about the potential profits from German unification, have acquired a taste for France and the shares in its largest companies, pushing the Paris Bourse to record levels.

Analysts say the investment flood is coming from big international institutions, much of it from American pension funds that want to retreat from the inflamed markets in West Germany and Vienna.

The Paris market is attractive to these investors because of its low price-to-earnings ratio.

Also making the Paris market attractive to international investors are projections of gross domestic product growth of more than 3 percent, inflation of 3.2 percent, continued robust earnings growth of around 15 percent and the French government's campaign to boost the franc against the Deutsche mark.



Airport Set as Hub

Continued from page 9

sengers, the largest increase since Charles de Gaulle Airport went into service in March 1974.

There still are considerably fewer passengers using Paris airports than counterparts in London, where 63 million passengers were registered in 1989. But Paris is well ahead of Frankfurt, which notched up 27 million passengers last year.

Aéroports de Paris President Bernard Lathière has said he believes Charles de Gaulle has unusual scope for expansion because of the space available at the facility and the company's ability to self-finance much of its expenditure.

Mr. Reder said, "Frankfurt does not have much of a possibility to redevelop its airport. London is in more or less the same situation.

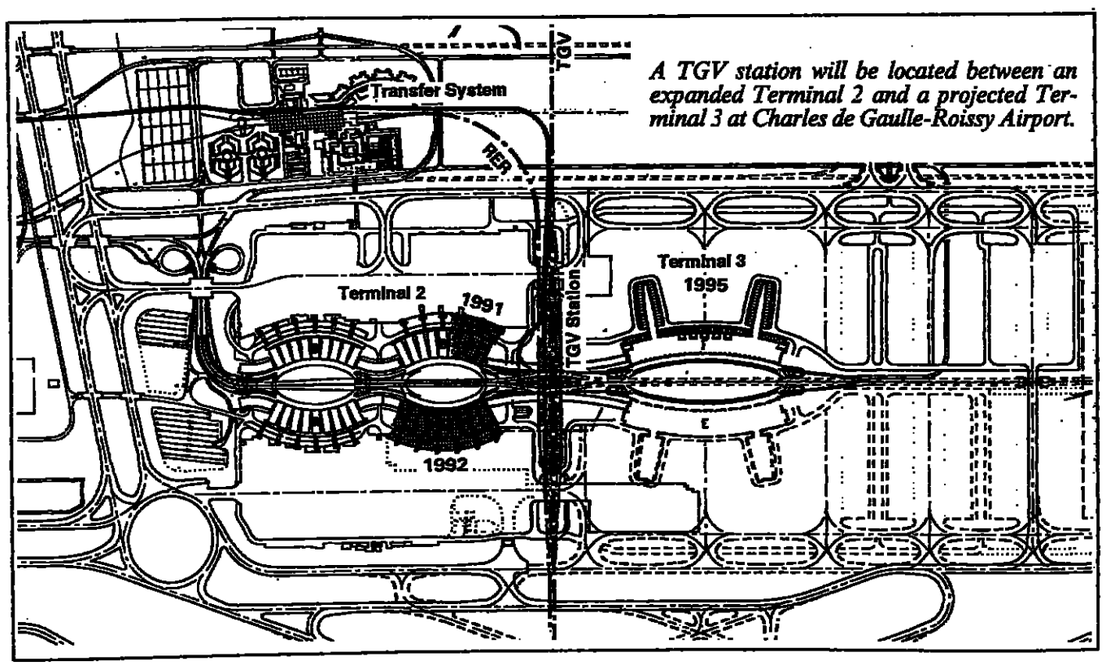
"But at Charles de Gaulle, less than half of the available land is utilized. We still could build two more parallel runways at Charles de Gaulle in addition to the existing two there. No other airport in Europe can do that."

Orly registered 24.3 million passengers last year compared with 20.7 million at Charles de Gaulle. Planners at Aéroports de Paris believe Orly could handle as many as 30 million passengers, but they want to limit voluntarily development of that airport for environmental reasons.

Far more people live around Orly than Charles de Gaulle, which is situated 28 kilometers (17 miles) from the center of Paris. Orly is closed to air traffic for much of the night while Charles de Gaulle operates around the clock.

Aéroports de Paris has a special status. Technically, the body is dependent on the Ministry of Transport but it is totally independent financially, receiving no subsidies.

In 1989, Aéroports de Paris posted a net profit of some 400 million francs. Much of its recent work has been overseas.



A TGV station will be located between an expanded Terminal 2 and a projected Terminal 3 at Charles de Gaulle-Roissy Airport.

Companies Rush to Globalize

Continued from page 9

des Machines Bull, a computer firm, saw the government appropriate 500 million francs in new equity, promising even more generous funding in 1990.

Pragmatism is the government's watchword. "These companies have opportunities on the world scene which must be capitalized upon rapidly, so we cooperate to the fullest when the deal is judged in a favorable light," said a French government official.

Critics say that French companies rarely have a defined strategy, often buying what comes up on the market in rushed deals at a handsome premium.

Some of the most spectacular purchases abroad over the past few years by French groups include:

- Pechiney became the world's largest packaging group with the takeover of American Can and Techpack International;
- Rhône-Poulenc bought three chemical companies in the United States and Britain as well as the medium-size American pharmaceutical firm, Rorer;
- The state oil group, Elf Aquitaine, reinforced its chemical division by purchasing Pennwalt in the United States;
- Bull moved from the 11th to the 7th slot among world computer companies by buying Zenith Electronics;
- The food conglomerate, BSN, has spent over $5 billion since 1987 in purchasing more than 20 agro-business companies in the drive to gain equal footing with giants like Nestlé and Unilever;
- Michelin became heavyweight champion of the world tire business by gobbling up Uniroyal Goodrich in the United States;
- Compagnie Financière de Suez has more than doubled its assets since 1988 by buying Belgium's Société Générale, the Victoire insurance company and Britain's Gartmore Investment Management;
- Saint-Gobain made a $2 billion deal for Norton, an American company that is the world's largest maker of abrasives and a leading producer of engineering materials.

Besides sheer size, French companies are looking to diversify their product range and achieve strong positions in strategic sectors.

Antoine Riboud, head of BSN, said his group's aim is to attain first- or second-place positions in specific market niches, or else abandon them altogether.

The American market seems to be the most prestigious for acquisition-hungry French executives, but success is often difficult to achieve.

Renault abandoned a few years ago loss-making American Motors, and its RVI truck division is still burdened with poorly performing Mack Trucks, while Elf has not been happy with Texasgulf, a natural-resources firm acquired in 1981.

In 1989, French companies spent more than $6 billion on acquisitions in the United States in an attempt to catch up with British, West German and Japanese rivals. French investments there last year were the highest of any European Community country, although they still represent a meager 4.4 percent of total foreign investments.

Buying companies is one thing, blending them into a coherent corporate structure and developing synergies is another. This problem will become particularly acute as the industrial center of gravity of the 300 top French companies gradually shifts away from France.

According to the Bain report: "The easy option of expansion through acquisitions may prove superficially attractive in the short-term, yet failure to innovate and enact performance improvement to rejuvenate core businesses and attain full potential will result in the decline of France's industrial base."

"The major challenge facing acquisition-minded corporate France in the 1990s," said Benjamin Leneman, director of corporate finance at the Paris office of the British merchant bank, Robert Fleming, "will be proving that it can successfully manage newly acquired global empires and adapt to an eventual downturn in the business cycle."

HOWARD SCHISSEL is a freelance journalist based in Paris.

JOHN PHILLIPS is the Paris bureau chief of United Press International.

Selling Glitter to World Gets Tougher

Continued from page 9

resources to invest in new products and market them around the world," said Mr. Blanckaert. It is estimated, for instance, that it can cost up to $50 million to develop and launch a new brand of perfume.

"Without a solid financial backbone we would not have the resources to design, produce and market quality products," said Pierre Bergé, president of Yves Saint Laurent.

It is no surprise, then, that over the last few years the industry has seen the emergence of a few giant luxury goods conglomerates, the reorganization of the remaining family-owned firms, the expanding role of financiers and an inflow of foreign investment.

Symbolic of the new era in the luxury goods business was the bitter feud pitting the young financier Bernard Arnault against 78-year-old Henry Racamier for control of the world's largest luxury goods empire, LVMH Louis-Vuitton-Moët-Hennessy, in a saga that some observers termed "'Dallas' à la française."

After more than a year in court, Mr. Arnault, with Guinness as his largest shareholder, won control over the company; Mr. Racamier, for his part, is building a rival entity around the newly acquired Jeanne Lanvin fashion house.

The drive for volume sales and financial resources has resulted in the restructuring of most luxury goods firms.

"Investments in luxury goods companies can turn out to be highly profitable if operations are reorganized, the image restored, brands repositioned and sufficient funds poured into creativity and marketing," said Léon Bressler, a former banker who is the head of the Lanvin fashion house.

Family-owned firms can remain independent if they have the foresight and capital to modernize on their own. Hermès, for example, turned its corporate scarves into international status symbols, while expanding product lines and reorganizing sales networks.

Yves Saint Laurent, with the backing of the Italian financier Carlo De Benedetti, made valuable acquisitions, increasing sales eightfold between 1986 and 1988 to $450 million and carrying out last year a successful flotation on the Paris Bourse.

The trend is inexorably toward conglomerates. Only one of the top five cognac companies, Camus, remains totally independent, the others belonging to foreign multinationals, while only a handful of champagne houses have stayed in family hands. Only Chanel of the four biggest fashion houses remains in private hands.

Foreign investors are enthusiastically snatching up opportunities in the French luxury goods sector. The Japanese have taken control over Carita (cosmetics), Grès and Jean-Louis Scherrer fashion houses, Bordeaux vineyards and cognac houses as well as the prestigious Lucas Carton restaurant. The Hong Kong-based Poon group took over the luxury article firm, S.T. Dupont.

Arab investors, too, have been active. The Bahrain-based Investcorp bought one of Paris's top jewelers, Chaumet; the Al Fayed brothers of Egypt purchased one of Paris's most exclusive hotels, the Ritz, and Lebanese investors the Royal Monceau.

South African interests — the Rothmans Group through its Swiss holding, Compagnie Financière de Richmond — own the flagship French jewelry and accessory firm, Cartier.

Future growth in the market for luxury goods is focused on Japan and the Far East. It is estimated that Asians account for about 60 percent of Vuitton bag sales and over a third of cognac exports.

French fashion houses are developing an extensive sales network in key Japanese cities as well as other Asian capitals, where Paris chic is a potent sales tool.

Most observers feel the French luxury goods industry is destined for sustained growth in the 1990s. Mr. Blanckaert said that "it will have to come up with a range of exciting new quality products to meet the changing demand of world markets."

"Creativity will be one of the principal driving forces in our industry in the 1990s," he added.

Howard Schissel

HEALTH / SCIENCE

Who Masterminded Piltdown Man Fraud? A New Suspect

By John Noble Wilford
New York Times Service

SCHOLARLY sleuths trying to get to the bottom of the Piltdown hoax believe they have at long last got their man, the mastermind in the most famous science fraud of the century. The skull and jaw of the "Piltdown Man," found in a gravel pit in England and announced to the world in 1912, were a sensation because the discovery upset prevailing theories about the antiquity of the modern human form.

The specimen confounded scientific inquiry for years, throwing many paleontologists off the scent of what is now seen as the true course of human evolution.

Not until 1953 was the Piltdown Man exposed as a fraud, bones assembled and doctored to appear to be what they were not. Someone had joined a human cranium no more than a few hundred years old with an orangutan's jaw to create the impression that the large brain preceded and presumably dictated all future prehistoric human evolutionary steps.

But the mystery of who did it has persisted to this day, and the list of suspects has included many prominent scientists as well as Sir Arthur Conan Doyle and the philosopher Pierre Teilhard de Chardin.

The incriminating evidence that supposedly cracks the case will be published in a book, "Piltdown: A Scientific Forgery," due out this fall from the Oxford University Press. The book was written by Dr. Frank Spencer, an anthropology professor at Queens College of the City University of New York. His research elaborated on the earlier detective work of Dr. Ian Langham, a historian at the University of Sydney in Australia, who died in 1984.

"I'm pretty convinced that this is the definitive solution," Dr. Spencer said in an interview last week. "We don't have the smoking gun. But I think the interpretation we've made is a reasonable one and in harmony with the facts and what we believe to have transpired."

Who was the perpetrator?

One man almost surely had a hand in it, according to most experts who have examined the evidence. He was Charles Dawson, a lawyer in Sussex and amateur geologist, who said he collected the bone fragments at the village of Piltdown between the years 1908 and 1912.

He brought the specimens to the attention of Arthur Smith Woodward, keeper of paleontology at the British Museum, in the middle of 1912. The announcement was made by Mr. Woodward at a meeting of the Geological Society of London on Dec. 18, 1912.

Mr. Dawson, the argument goes, had a motive, which was his desire for a collecting coup that would assure entrance in the Royal Society. He had the opportunity, for he lived near the site and could have salted it with bogus bones he might have obtained from his contacts at museums.

In his analysis of the hoax in 1955, Dr. Joseph S. Weiner, a South African paleontologist at Oxford, who was instrumental in exposing the fraud, decided that Mr. Dawson must have acted alone, though he recognized that Mr. Dawson could have been the agent of a "shadow figure" who masterminded the caper. His identity is the deeper Piltdown mystery.

In the book by Dr. Spencer, the alleged second man is none of the dozen or so suspects who had been rounded up by scientists and historians over the years. Among the usual suspects, Mr. Woodward is generally judged innocent. He rendered the judgment that the skull and jaw were genuine prehistoric relics. It is unlikely, experts say, that if he knew the facts he would have exposed himself as the duped party in the affair.

Before his death in 1978, Dr. James A. Douglas, a professor of geology at Oxford, let it be known that he believed his famous predecessor at Oxford, William J. Sollas, had been the perpetrator as a way of making Woodward, his pretentious academic rival, look ridiculous. If he was the instigator, why did Mr. Sollas never spring the trap?

Lewis Abbott, a jeweler in Hastings and collector of fossils, could have been involved. He knew Mr. Dawson and lived nearby. Dr. Charles Blinderman, an English professor at Clark University and author of "The Piltdown Inquest" in 1986, noted that Mr. Abbott was on record before 1912 as saying that pompous paleontologists should be punished by entrapping them with clever fakes.

He is a prominent man associated with the Piltdown inquiry, but who never seems to have attracted the least suspicion — until now.

Pierre Teilhard de Chardin, the French Jesuit priest and paleontologist, could have been the second man. In the years immediately before the 1912 announcement, he lived at a Jesuit seminary in Hastings and on many occasions tramped the fields hunting fossils with Mr. Dawson. On Mr. Dawson's first joint excavations at Piltdown with Mr. Woodward, the only other person to accompany them was Mr. Teilhard.

In casting a suspicious eye on the French priest, Dr. Stephen Jay Gould, the writer and paleontologist at Harvard, has cited several slips Mr. Teilhard made years later in correspondence reconstructing the facts and timing of his relationship with Mr. Dawson and the Piltdown Man.

Louis Leakey, the Kenyan paleontologist, also suspected Mr. Teilhard and reported a conversation in which the priest is supposed to have said, "I know who did the Piltdown hoax and it was not Charles Dawson." He gave a little smile and said no more.

Add to the cast of suspects the name of Sir Arthur Conan Doyle, creator of Sherlock Holmes. In 1983, John H. Winslow, an American archaeologist, pointed the finger, noting that Mr. Conan Doyle lived near Piltdown, knew Mr. Dawson and had a keen interest in fossils. But he had no apparent motive.

No one seemed to give much thought to Sir Arthur Keith. In 1912, he was a rising star in science as an anatomist and conservator of the Hunterian Museum of the Royal College of Surgeons.

He was prominent socially, ambitious and willing to take risks. At a time of theoretical flux in paleoanthropology, he was the champion of the concept that modern humans evolved earlier than had been supposed and the first manifestation was the enlarged brain.

In this way of thinking, there was no room in the human lineage for the Neanderthals of Europe or the Java Man, found just before the turn of the century and later determined to be a specimen of a direct human ancestor.

There was room, however, for a "missing link" with a modern-sized brain combined with a simian jaw, something like the Piltdown Man.

What scientist had the most to gain from the Piltdown discovery, and did secure greater fame? The answer, Dr. Spencer said, is Mr. Keith.

The most suggestive piece of evidence was an entry Mr. Keith made in his diary in December 1912. This revealed that an anonymous article about the Piltdown discovery that appeared in the Dec. 21, 1912, issue of The British Medical Journal had been written by Mr. Keith.

He had written it two days before the Geological Society meeting, and the article left no doubt that the author had been privy to knowledge about the dig site that was not reported by Mr. Woodward at the meeting and was presumably a closely guarded secret.

Other clues began to fall into place. It was established that Mr. Dawson and Mr. Keith had met at least a year before and that the scheme could have been hatched sometime between July 1911 and the beginning of 1912.

As Dr. Spencer reconstructed events, Mr. Keith provided technical expertise and possibly the bones, too. The fragments were stained to look prehistoric, and the orangutan teeth were filed down to show the kind of wear exhibited on human teeth.

Mr. Dawson placed the bones in the gravel deposit where they would be found when Mr. Dawson, Mr. Woodward and occasionally Mr. Teilhard visited the site in the summer of 1912.

Analysis of the new evidence, Dr. Spencer said, strengthened the view that the hoax "was not a practical joke that got out of hand, but rather one that had been tailored to withstand scientific scrutiny and thereby promote a particular interpretation of the human fossil record."

RECOGNITION of the importance of fossil discoveries in Africa, beginning in the 1920s, was impeded because they seemed to contradict the reigning Piltdown "evidence."

In a foreword to the book, Dr. Phillip V. Tobias, director of paleoanthropology at the University of Witwatersrand in Johannesburg, called the case against Mr. Keith "the newest, the most surprising, nay, shocking, and the most seemingly logical conclusion as to the identity of the scientist-member of the team of forgers."

Dr. Fred H. Smith, a paleontologist at the University of Tennessee at Knoxville who has examined the new evidence, said: "I think Spencer makes a very good case. I don't think it's ironclad. But when you look at whose career benefited most by Piltdown, Arthur Keith's name certainly heads the list."

In Zaire, Rhinos Get a New Lease on Life

By Jane Perlez
New York Times Service

GARAMBA NATIONAL PARK, Zaire — A vigorous anti-poaching effort in this nearly impenetrable corner of Zaire has pulled a rare subspecies of white rhinoceros back from the brink of extinction.

Probably no other national park in sub-Saharan Africa can boast the record of Garamba: no rhinoceros has been poached here since 1984, according to local officials.

Just as encouraging, 10 new animals have been born, four last year, making a total of 26 in the park, almost certainly the only northern white rhinoceros left in the wild, researchers at the park say.

Fifty years ago, Belgium, as a colonial power, dedicated this remote 7,800-square-kilometer (3,000-square-mile) swath of green savannah, some of the wildest country in Africa, as a national park.

The idea was to protect the rare subspecies of white rhinoceros peculiar to the region. But by 1983, after two decades of heavy poaching by rebels and local tribesmen in league with corrupt park officials, only 15 of the more than 1,000 lumbering, solitary, dim-sighted creatures were left.

But for the past six years, a rhino-protection program that emphasizes better-paid and better-motivated anti-poaching patrols has been a marked success.

It was begun by conservation groups in conjunction with the Zairean government, and unlike the rhinoceros in other parks on the rest of the African continent, the northern white has been brought back from the brink.

Alarm bells went off in 1980 about the imminent disappearance of the rhinoceros, which, after the elephant, is the world's second-largest land mammal.

The rhinoceros, both the black and the northern and southern white, was classified as an endangered species and internationally financed anti-poaching programs were stepped up in many places in Africa.

But the slaughter of the animals marched on unabated. Prompted by the soaring price for rhinoceros horn, impoverished Africans and corrupt officials outmaneuvered the poaching patrols to win lucrative incomes.

In Hong Kong, where it is ground for medicinal purposes, a rhino horn sells for $24,000. In Yemen, the horn is prized for dagger handles.

The key to the success in Garamba, according to Dr. Kes Hillman-Smith, a conservation adviser at the park, was the arrival of a new park warden to succeed one who had been compromised by the poachers; improved pay and other benefits from the Zairean government for the nearly 200 anti-poaching guards; well-motivated Zairean researchers in the park, and financial backup by the World Wide Fund for Nature and the Frankfurt Zoological Society.

FOLLOWING the growing realization among conservationists in Africa that if poaching is to be prevented, local villagers around parks must benefit from the preservation of the species, Dr. Muhindo is about to start an educational program for some of the 100,000 or so people scattered around the perimeter of the park.

To reduce the temptation for the villagers to come into the park for meat, consideration is being given to help improve goat and sheep herds.

The front line against poaching is still the guards. They are paid $16 a month with the opportunity of incentives, plus equipment.

On a recent morning with the dawn light bathing the sky in saffron, 12 guards in khakis, carrying automatic rifles provided by the Zairean government and bulging knapsacks with enough provisions for 10 days, squeezed into the back of a Toyota pickup to ride out from headquarters on a patrol.

Before leaving the park headquarters they were given instructions on what to look for by Dr. Mbayma Atalia, a protection officer.

Later in the day, when the sky had cleared to pale blue, Dr. Mbayma, 30, who is studying the sleeping, eating and size of grazing range of the rhinoceros, headed out to find M-5, one of the six adult males.

Dr. Mbayma drove to the Garamba River, about the northernmost range for the rhinoceros, without a sighting. But on the way back, with the help of binoculars, he picked up a grayish mass ahead.

About 300 meters from the animal, Dr. Mbayma parked his pickup and approached on foot. He recognizes every rhinoceros in the park by horn shape and wrinkle contours around the snout: the one in front of him he immediately knew to be M-5.

Dr. Mbayma stopped about 80 yards from the rhinoceros, crawled and then crouched down in the grass, taking quick notes on time of day, what it was eating, its geographic position and how far it had moved since last seen.

At one point, the rhinoceros sensed something, stopped its perpetual eating and looked up. After about 20 minutes, a yellow tick bird of the type that commonly escorts a rhinoceros on its travels and feeds off the open lesions on the animal's side flew in to sound an alarm.

The rhinoceros bounded off, away from Dr. Mbayma, at a half-speed gallop.



Reuters

White rhinoceros: No poaching in the Garamba game reserve since 1984.

HEALTH Q&A

As a sexually active single man living in a European city, I have chosen condoms as my principal means of contraception and disease prevention. Medically speaking, are there any differences among the various types?

Yes! Today there are essentially two types of condoms: synthetic (those made of latex) and so-called "natural" or animal-derived condoms, made from part of the large intestines of lambs.

Testing has been done for thickness, durability and length (one size fits nearly everyone). There even exists a condom stress test, whereby each condom is inflated with air to the size of a watermelon to check for leaks. Such variations in condoms as color, decorations and ribbing have no effect on contraception or disease prevention.

The nonporous walls of latex condoms will block the passage of sperm, spirochetes (the micro-organism responsible for syphillis), the Herpes virus, the AIDS virus (HIV) and the hepatitis B virus.

Conversely, the "natural" condoms have pores that allow the passage of the herpes, HIV and hepatitis B viruses. Obviously, latex is the material of choice for condoms.

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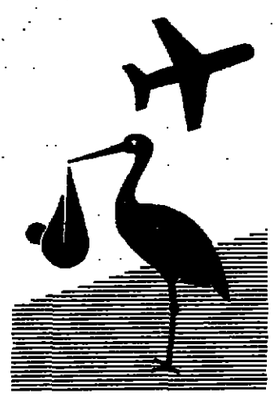
I am very concerned regarding the dangers of travel and particularly of flying on pregnant women and small children. What should I know?

The American College of Obstetrics and Gynecology has established guidelines for most travel situations for pregnant women. The optimal time to travel is between the fourth and sixth months of your pregnancy, when the chance of miscarriage and premature labor is lowest. Furthermore, although policy varies, most airlines prohibit travel after the 36th week of gestation. Airline cabins are not well-suited for routine deliveries, to say nothing of major complications.

In general, your obstetrician will know whether your particular pregnancy is of high risk, and you may want to consider a predeparture sonogram examination to verify the absence of twins, tubal pregnancy, placental or developmental abnormalities that require special attention.

On the airplane, the cabin is pressurized, which, in the absence of severe anemia or sickle-cell disease, will not pose a major health risk to you or the fetus. Bear in mind that the air on an airplane is recirculated; drink plenty of water to prevent dehydration and sit as far away from the smoking section as possible. When booking your flight, ask for a bulkhead aisle seat so that you can move around the cabin every half hour or so to avoid developing blood clots in your legs.

As for traveling with children, it is all good news: with some proper planning with your pediatrician, they can go everywhere that you can go. First of all, get all vaccinations up to date: in addition to OPV (oral polio) and DTP (diphtheria, tetanus, pertussis), get a typhoid vaccination as well as some gamma globulin to protect against hepatitis A. Carry the International Certificate of Immunization, and do the skin test for TB before and after your trip.



Richard Yezzi/IHT

Precautions regarding malaria and diarrhea are similar to those for adults, although drug dosages are scaled down. In any event, maintain hydration in your child using clean bottled (boiled, if necessary) water. Pack some antibiotic syrup (such as amoxicillin) in the event of some minor throat or ear infection while on the road. Avoid sunburn and wear proper shoes. Cook all foods, especially animal products, well (or breastfeed, if appropriate). Especially in the Third World, avoid salads. Lastly, keep in mind, it is worth it.

•

As a Canadian sufferer from diverticulosis living in Italy, I was surprised to see that the "fiber revolution" has yet to catch on in Europe, at least to the extent that it has in North America. Am I missing something?

Diverticula are mini-hernias through weak points in the muscular wall of the large intestine. They result from the increased pressure required to eliminate the insufficient waste bulk. If they rupture, emptying their fecal matter into the abdominal cavity, the result is diverticulitis, with its symptoms of abdominal pain, fever and malaise.

The British physician, Denis Burkitt (after whom Burkitt's Lymphoma was named) noted that rural Africans, with their ample dietary fiber, had virtually no diverticular disease. Conversely, in North America and Western Europe, where dietary fiber has fallen precipitously due to the replacement of refined flour and sugar for fruits and vegetables, diverticular disease is one of the most common bowel disorders.

The "fiber revolution" of North America, as you call it, is in direct response to this problem. One need not be consuming vast amounts of bran fiber to avoid this problem as much as simplifying life by reverting a more natural diet with plenty of fruits, salads, vegetables and fresh water to keep things "moving along."

Michael McGannon, M.D., will answer questions from readers every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neuilly, France.

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NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
37½	20¼	AAR	.48	2.2	13	515	21¾	21⅛	21½	

(Continued on page 17)

NYSE Highs-Lows

NEW HIGHS 29

AbbottLab s, AlliedLud, Angelica, AppleBco, BancoCtrl, Calmat, EthylCp, GEICO, GenevaStl n, HansKTel, IBM, IntlTch, LeggMason, MorgGrnfl, Newell s, NorfkSou, Nucor, vlPSNH pf, SafecrdSvc, Smucker s, Starrett, StorageTch n, Syntex, Tex Util, UnitTech, UnvMed pfB, VarianAsc, WarnLm s, WheelbTc n

NEW LOWS 27

Alexandrs, vlACentCp, CMS Enhanc, CalfnMns, CareerCom, DynaCp Am, Farahinc, Fieldcrst, FstChi adj p, FstPhilile n, FranceGth, vlGF Corp, GreyhndD, HighInco, HepperSolida, Irishinv n, JohnstnInd, KanebPipe n, LVI Grp pf, LIL Co pfB, MidwyAir pf, Northgate g, Occident Pet, ShelbyWill, TransTech, UnEl BnfL, Zemex

AMEX Highs-Lows

NEW HIGHS 14

ATI, AmTr-ibm prm, AmTr-Inl un, CarmelCont, ChartPwr, DelElect, EcolEnv, IIP, KentElec, MerchantGp, Nichinst s, OldSpg s, PGE 232pfV, RiserFood, Sbarro s, Tenera

NEW LOWS 14

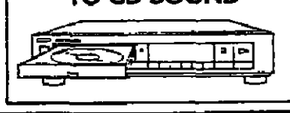
AmCapCp pf, AngelesMtg n, BombPly, Belvedere, ContMtl, DuplexPrd, EhrtBabr, GelmanSci, HMG Court, JonesMdan, MstInvPlss, OSullivan, PosEuro n, PerkHav



Herald International Tribune.

BUSINESS/FINANCE

** THURSDAY, JUNE 7, 1990

TO CD SOUND

In Touch with Tomorrow
TOSHIBA

INTERNATIONAL MANAGER

Want a U.S. Work Visa? Be a Star, Get a Witness

By Lawrence Malkin
International Herald Tribune

NEW YORK — The complex rules and insensitive practices of the Immigration and Naturalization Service have for years tormented foreigners offered jobs in the United States. Now, immigration lawyers say, new regulations for employment visas are making the paper work even more onerous, and a fresh bout of congressional tinkering could compound the confusion.

Foreigners transferred to the United States by their multinational companies usually can come in on an L visa for five years. Most European companies that have invested in American subsidiaries can bring in employees for even longer on E visas, which, said Theodore Ruthizer, an immigration lawyer with the New York firm of Winston & Strawn, "is a very nice status because you avoid the INS completely."

The need to establish credentials is "spawning a cottage industry of experts."

Not so with the H visa, which is designed to ease the skill shortage in the United States by providing a special category for foreign professionals and technicians, who are in increasing demand not only by foreign companies operating in the United States but by American concerns trying to compete internationally.

Partly because of legal attempts to sidestep them, H-visa procedures became so encrusted that they sometimes sank the applications they were designed to assist. Several years ago, Saab-Scania AB of Sweden had a joint project with a U.S. airline and wanted its aircraft technicians in a hurry to work with their American counterparts. So many INS hurdles barred the Swedish workers' way that the two partners shifted the entire job to Sweden, with the consequent loss of American jobs.

In January, the INS reformed its employment visa rules, but it appears that bureaucracy has triumphed once again. Immigration lawyers report that the result is not lower cost, less delay and less paper work, but more. To understand, a little history is necessary.

THE BOTTLENECK in importing skilled foreign workers is partly due to a legal requirement deeply embedded in U.S. public policy: Employers must prove that they cannot find American workers who are able to fill the job. A formal search for them under Labor Department rules can drag on for six to 18 months, by which time the job or its foreign candidate have often disappeared.

To circumvent this for "applicants of distinguished merit and ability," the United States in 1970 created an H-1 visa for artists, entertainers, scientists and others of top rank. "It was meant for Nobel Prize winners," said Jack Golodner, head of the AFL-CIO's department of professional workers, who is always on the lookout for foreign workers, such as aerospace engineers, who might undercut his union members. Ordinary people had to apply for H-2 visas, designed for "workers in short supply," and this entailed the lengthy labor market search.

Ingenious and highly paid American lawyers quickly found loopholes to raise professionals and humble technicians to near-Nobel status and obtain H-1 visas for them within six weeks. With prospective employers paying his Wall Street fees, Mr. Ruthizer has won quick approval for a German editor of mathematics textbooks and a French plastics engineer specializing in molding perfume containers.

This only brought new attacks from the unions. "The immigration lawyers have distorted the law with the collusion of the employers," complained Mr. Golodner. Mr. Ruthizer does not disagree and merely says that the law as written cannot fulfill the needs of American business. INS figures bear him out, although even these are in dispute Mr. Golodner said that in the immigration field "no one believes anyone else any more."

In 1988, the INS said, it issued 78,000 H-1 visas based on exceptional merit but only 33,000 H-2s based on worker shortages, a situation that a service spokesman, Richard Kenney, said flies in the face of logic.

"We wanted to get out of the business of subjective judgment,"

See VISAS, Page 19

German Economic Growth Galloped Ahead in Quarter

Compiled by Our Staff From Dispatches

BONN — West Germany's economy roared ahead in the first quarter at a rate faster than previously assumed, figures from the Federal Statistics Office showed on Wednesday.

The country's gross national product grew 4.4 percent in the January-March period, compared with the same period of 1989. It was up 2.5 percent from the previous quarter. The official figure was even higher than a prediction last month of 4 percent by an official from the Bundesbank, the West German central bank.

Separately, the Federal Labor Office reported on Wednesday that the number of jobless people in West Germany continued to shrink in May, falling to 1.82 million from 1.91 million in April.

The unemployment rate in May fell to 7 percent from 7.3 percent in April and from 7.6 percent in May last year. The unemployment level in May was the lowest number of jobless people in eight years.

West German share prices got an early boost from the economic data on Wednesday, but the numbers failed to have a lasting effect on shares during the day, and they closed lower.

"It was a super figure, showing how dynamically the West German economy is expanding," said Ulrich Beckmann at Deutsche Bank AG in Frankfurt, of the growth figure. "This year's economic growth will reach 4 percent, which is as high as last year."

"These figures showed the weakening of the West German economy, which many big institutions are expecting, has not yet taken place," said Stefan May at Hypo Research und Produkte Gesellschaft für Finanzanalyse, the research arm of Bayerische Hypotheken- und Wechselbank AG.

West Germany's five leading economic research institutes forecast a 3.75 percent annual economic growth for 1990 in their spring reports.

Finance Minister Theo Waigel, has said he expects an annual growth rate of up to 4 percent.

Economics Minister Helmut Haussmann said the current economic boom put West Germany in a good position for economic union with East Germany next month.

"The results are clear evidence for the dynamism of the West German economy," Mr. Haussmann said in a statement. "It is excellently prepared for the upcoming challenges" of economic union.

The two Germanys will take the first step to full political unification on July 1 when the Deutsche mark replaces the virtually worthless East German mark as legal tender.

Mr. Haussmann added that West Germany's economy showed strength in almost every sector, but growth was especially rapid in capital investment.

The government said the country created 550,000 new jobs in the year through April, a rate unseen since the West German economic miracle of the 1950's.

(Reuters, AFP)

Swiss Seek IMF Status

Reuters

WASHINGTON — Switzerland, with a long history of shunning international organizations, has applied for membership in the International Monetary Fund and the World Bank, the IMF announced Wednesday.

A spokesman at the Swiss embassy confirmed the applications but said there were no plans to seek membership in the United Nations, noting that the people of Switzerland overwhelmingly opposed UN membership in a 1986 vote.

Swiss authorities signaled during the spring meeting of the IMF and World Bank that they might be willing to join.

There are 152 countries in the IMF and applications for membership by Czechoslovakia and Bulgaria are pending.

As an IMF member, Switzerland would have new power to influence its policies at a time when Europe's economy is undergoing major changes.

Veterinary Body Points Way Out Of Beef Dispute

Reuters

BRUSSELS — The European Community veterinary committee said on Wednesday that British beef was safe to eat, despite bans by other European countries on its import, but also said precautions must be taken against "mad cow" disease.

Their report appeared to lend support to Britain's position as EC farm ministers held a crisis meeting in an attempt to defuse the trade dispute.

At the meeting Italy said it had joined France and West Germany in banning imports of British beef because of fears about the disease. An Italian spokesman said the ban was imposed on June 2. He described it as a precautionary ban pending the outcome of the ministerial meeting.

The veterinary committee said beef was not a public health danger in countries where mad cow disease, officially called bovine spongiform encephalopathy, occurred.

West Germany and France, voicing fears that British beef was unhealthy, imposed their ban last week despite protests from London and assurances from the EC that the meat was safe.

The veterinary committee said that, as a precaution against the disease that has led to the slaughter of 14,000 British cattle, every attempt must be made during slaughter of the animals to remove obvious nervous and lymphatic tissue from parts destined to reach the consumer. These are tissues that are suspected of carrying the disease.

The British agriculture minister, John Gummer, said before going into the ministers meeting, "The committee has quite clearly reaffirmed their view that British beef is perfectly safe."

He said Britain, as a result of the EC veterinary statement, would not need to take any measures to curb the disease beyond those it was already using.

The committee's verdict may hold the key to defusing whas is considered to be a damaging trade problem in the European Community.

Mr. Gummer said that he would ask fellow ministers to obey EC law and lift the bans. "I want everyone to return to legality," he said.

He said the French and German action had clearly been prompted by a desire to prop up their flagging beef markets.

The EC has been forced to buy up unwanted beef, swelling stocks that it has only just succeeded in unloading.

In Paris, the French agriculture minister, Henri Nallet, defended France's ban. He said consumers must be protected from the possible contamination of British beef with the disease.

"This serious disease that has affected English cows is little known," government spokesman Louis Le Pensec quoted Mr. Nallet as telling a cabinet meeting. "The benefit of the doubt must go to the consumers."

AIDS Drug Dispute Still Haunts ICN

By Michael Lev
New York Times Service

COSTA MESA, California — Milan Panic, the enthusiastic chairman of ICN Pharmaceuticals Inc., takes any opportunity to explain how he arrived in America from Yugoslavia in 1956 with his family, a university degree and little else, and founded what is today a multimillion-dollar drug company.

But the recent story of ICN is less inspiring.

Analysts say an ill-fated attempt by the company to market an AIDS treatment has weakened its financial position and damaged its credibility in both the medical and financial communities, perhaps irreversibly.

Mr. Panic (pronounced PAN-eesh) is now trying to revive an ambitious plan to expand the company into Europe while reducing the debt it took on in the mid-1980s to make acquisitions.

In the 1980s, the company raised $500 million for acquisitions, but it has only recently turned its attention to purchases.

Last year, its ICN Biomedicals Inc. subsidiary acquired a biomedical business from Flow General Inc. for $37.6 million. The purchase of Flow Laboratories will almost triple ICN Biomedical's revenue, to about $150 million a year, with most new sales coming from overseas, where Flow's business is strongest.

ICN Pharmaceuticals has also reached a preliminary agreement to acquire Galenika, a Yugoslavian drug concern that Mr. Panic believes will help the company gain entry into the large Eastern European market. Galenika has annual sales of about $200 million.

But in late 1988, Schering AG, the West German pharmaceuticals and chemicals company, rejected its proposal to acquire at least a $15 million stake. Earlier that year, ICN sold an 8.6 percent stake it had held in F. Hoffman-La Roche & Co., the Swiss chemicals concern.

Wall Street is skeptical about ICN.

Company shares trade at a fraction of their value during the height of speculation over its AIDS drug in 1986 and 1987.

"Unless profits turn around, it will be difficult for them to stay in business," said Eugene Melnitchenko, an analyst at Eppler, Guerin & Turner in Dallas. "They will exhaust their cash."

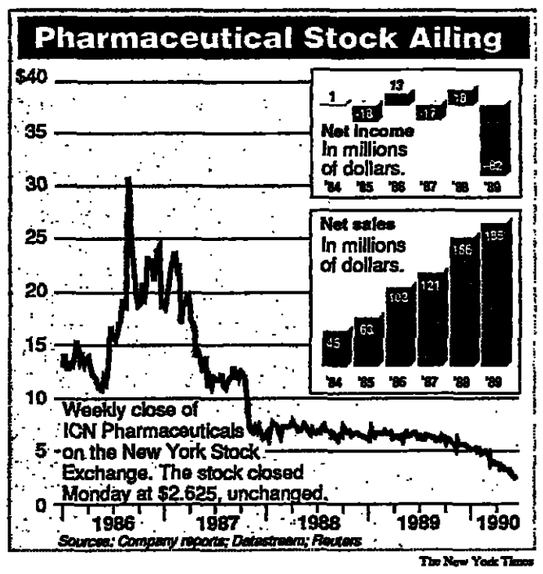
In late 1989, after three years of disagreements with federal officials over the results of its clinical tests, ICN abandoned efforts to win government approval to market its antiviral drug, ribavirin, as a treatment for acquired immune deficiency syndrome.

The company took a $71 million write-off on its investment and, as a result, had a $82 million loss in the 1989 financial year on sales of $185 million.

The company's troubles illustrate the difficulties of maneuvering in the politically charged market for treatments of acquired immune deficiency syndrome.

Observers said ICN was never able to shake the reputation it gained early in the approval process for being arrogant regarding federal procedures and for being

See ICN, Page 17



Lisbon Sees Fast Entry Into Currency System

Reuters

LISBON — Portugal plans to take its currency into the European Community's Exchange Rate Mechanism in the near future, Prime Minister Anibal Cavaco Silva said Wednesday.

He gave no date, however, and said the move should be managed so the government would not need to impose tight restrictions on the Portuguese economy or an austerity program.

Mr. Cavaco Silva was talking to reporters after discussions with Prime Minister Charles Haughey of Ireland regarding the forthcoming EC summit on June 25 and 26.

"Portugal must participate from the start in European economic union and join the European Monetary System," Mr. Cavaco Silva said. "I think the date of the escudo joining the EMS Exchange Rate Mechanism is not very far off."

The reduction of inflation, which is currently nearly 13 percent a year, and cutting the budget deficit would make the transition easier, he said.

The ERM sets nine European currencies at a fixed rate against the European Currency Unit and allows them to fluctuate within set limits on either side of that rate.

Of the 12 Community nations, only Britain, Greece and Portugal are not in the ERM. Britain has, however, indicated it is considering participation for the pound.

Spain was the most recent EC member to bring its currency into the ERM.

Mr. Cavaco Silva also showed a cautious attitude towards EC political union, stressing that jobs that could be done better at national level should not be transferred to the Community.

Mr. Haughey said Portugal and the Irish Republic, as nations on the edge of Europe, suffered from many competitive disadvantages and had common interests.

He said the nations had a "great interest" to ensure that as the EC moves toward a single market, "policies are framed in such a way that we will be able, as countries on the periphery, to compete effectively with the more favored regions of central Europe."

Mr. Cavaco Silva, an economist, is due to open a seminar on Friday about the difficulties that European economic union will cause Portugal.

Bankers Expect Stable Rates in Coming Months

By Carl Gewirtz
International Herald Tribune

SAN FRANCISCO — Interest rates in the major industrialized countries are likely to hold stable in coming months, captive to the outcome of monetary union between the two Germanys in July, central bankers said Wednesday.

At the concluding session of their three-day annual International Monetary Conference here, U.S., Japanese, French and British central bankers said the current high level of "real" rates — after deductions for inflation — is due to a combination of a shortage in world savings to finance increased investment and a renewal of inflationary expectations.

After the meeting with the chairman of the world's largest commercial banks, Alan Greenspan, chairman of the Federal Reserve Board, said that "it is too soon to make any judgment about what effect on interest rates, if any" there will be within Germany and elsewhere from German monetary unification, scheduled for July 2.

German interest rates already incorporate the market's forecast of likely developments, he said, and "to the extent that events deviate from expectations rates in Germany or elsewhere could go up or down, depending on how events emerge."

Mr. Greenspan said that an increase in long-term market interest rates, pushed up by investor fears of inflation, would not necessarily have any impact outside Germany.

"In principle," he said, "it would be quite possible for such changes in German interest rates to be absorbed through the exchange rate without affecting nominal interest rates anywhere else."

The U.S. central bank chief noted that at present, there is no cause for American interest rates to move because the signs of economic activity "are quite ambiguous."

The Swiss National Bank chairman, Markus Lusser, a participant rather than a speaker at the meeting, said of German monetary union, "The only instrument central banks have in face of the uncertainties is a strict monetary policy,

See RATES, Page 19

The dollar closed mostly firmer in New York trading. Page 16.

CURRENCY RATES

Cross Rates

June 6

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.8975	3.281	1.1258	0.3338	0.1531 e	——	5.449 e	1.3289	1.3457 e	1.6165	1.822 e
Brussels	34.8975	58.4975	20.5875	6.104	2.798 e	18.3825	——	24.3215	0.2275	29.58	33.329 e
Frankfurt	1.4382	2.445	——	0.2966	0.136 e	0.8886	4.858 e	1.1827	1.164 e	1.435	1.618 e
London (a)	1.6865	——	0.9648	0.4863	2.2292.50	1.2303	28.585	2.4385	252.625	1.9785	176.32
Madrid	104.226	175.82	61.819	18.334	8.404 e	54.913	2.8857	72.51	69.293 e	88.747	——
Milan	1.240.88	2.091.45	735.68	218.15	——	653.45	35.743	866.56	8.226	1.058.30	11.581
New York (b)	——	1.6075 e	1.4882	0.4895	1.241.25	1.5085	34.255	1.4253	152.68	1.3169	104.45
Paris	5.6835	9.586	3.3721	——	4.4884 e	2.9952	0.1458	3.3987	37.249 e	4.8405	5.455 e
Tokyo	152.88	257.65	90.53	26.87	13.222	80.45	4.2999	184.76	——	258.79	1.4663
Toronto	1.1781	1.9754	0.693	0.2056	0.9421 e	0.6157	2.3307 e	0.8151	0.767 e	——	1.12 e
Zurich	1.4265	2.408	0.8464	0.2507	0.125 e	0.751	4.7084 e	——	0.9354 e	1.2162	1.3684 e
1 ECU	1.2181	0.7222	2.854	6.9256	1.511.07	2.2524	42.2747	1.2975	115.97	1.4287	127.681
1 SDR	1.3135	0.7787	2.2148	7.4959	1.628.46	2.4834	45.5483	1.4744	2.080.42	1.5398	126.913

Closings in London and Zurich. Rates in other centers. New York closing rates. Toronto rates at 5 a.m.
a: To buy one pound; b: To buy one dollar; e: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5878.2	Greek drac.	144.90	Mex. peso	2833.01	S. Afr. rand	2.6435
Austral. $	1.2979	Hong Kong $	7.78	N. Zealand $	1.7271	Soviet ruble*	0.602
Austr. schil.	11.86	Indian rupee	17.391	Norw. krone	6.493	Swed. krona	6.095
Brazil cruz.	54.76	Indo. rupiah	1826.02	Phil. peso	22.73	Taiwan $	27.10
Chinese yuan*	4.72	Irish £	0.6297	Port. escudo	148.18	Thai baht	25.76
Danish krone	6.427	Israeli shek.	1.96	Saudi riyal	3.75	Turkish lira	2572.00
Egypt. pound	2.6783	Kuwaiti dinar	0.2921	Sing. $	1.8465	UAE dirham	3.672
Fin. markka	3.958	Malay. ring.	2.707	S. Kor. won	713.60	Venez. bolfv.	47.50

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6760	1.6669	1.6574	Canadian dollar	1.1780	1.1832	1.1881
Japanese yen	152.46	152.53	152.58	Swiss franc	1.4277	1.4270	1.4267
Deutsche mark	1.4067	1.4066	1.4064				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 6

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8 1/16-8	7 9/16-8 1/16	8 1/16-8 1/16	15-15 1/16	9 1/16-9 1/16	7 1/16-7 1/16	9 1/16-10 1/16	8 1/16
2 months	8 1/16-8 1/16	8-8 1/16	8 1/16-8 1/16	15-15 1/16	9 1/16-9 1/16	7 1/16-7 1/16	10-10 1/16	8 1/16
3 months	8 1/16-8 1/16	8 1/16-8 1/16	8 1/16-8 1/16	15-15 1/16	9 1/16-10	7 1/16-7 1/16	10 1/16-10 1/16	8 1/16
6 months	8 1/16-8 1/16	8 1/16-8 1/16	8 1/16-8 1/16	15-15 1/16	10 1/16-10 1/16	7 1/16-7 1/16	10 1/16-10 1/16	8 1/16
1 year	8 1/16-8 1/16	8 1/16-8 1/16	8 1/16-8 1/16	14 15/16-15	10 1/16-10 1/16	7 1/16-7 1/16	10 1/16-10 1/16	9 1/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 6

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 3/16	8 1/4
Com paper 30-177 days	7.85	7.85
3-month Treasury bills	7.69	7.70
6-month Treasury bills	7.59	7.61
1-year Treasury bills	7.49	7.51
30-year Treasury bond	8.45	8.45
3-month CD's	7.70	7.80
3-month CD's	7.70	7.80
Japan		
Discount rate	5 1/4	5 1/4
Call money	7 5/32	7 1/4
3-month interbank	7 1/4	7 1/4
6-month interbank	N.A.	7 1/4
West Germany		
Discount rate	4.00	4.00
Lombard rate	6.00	6.00
Call money	7.90	7.90
1-month interbank	8.00	8.00
3-month interbank	8.30	8.30
6-month interbank	8.55	8.55
Britain		
Bank base rate	15.00	15.00
Call money	14%	14%
3-month interbank	15 3/32	15%
6-month interbank	15%	15%
France		
Intervention rate	9½	9½
Call money	9 13/16	9 15/16
1-month interbank	9 11/16	9%
3-month interbank	9 15/16	9%
6-month interbank	10%	10 1/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 6

1 month	8 1/16 - 8 1/16
2 months	8 1/16 - 8 1/16
3 months	8 1/16 - 8 1/16
6 months	8 1/16 - 8 1/16
1 year	8 1/16 - 8 1/16

Source: Reuters.

U.S. Money Market Funds

June 6

Merrill Lynch Ready Assets
30-day average yield: 7.84
Telerate Interest Rate Index: 8.102
Source: Merrill Lynch, Telerate.

GOLD

June 6

	A.M.	P.M.	Chge
Hong Kong	359.45	359.95	+1.00
Luxembourg	359.85	—	+1.40
Paris (12.5 kilo)	361.24	361.72	+3.50
Zurich	359.75	360.45	+2.45
London	359.60	359.90	+1.00
New York	—	356.75	—2.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich morning and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

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1989 DIVIDEND

Following the decision taken by the Shareholders' General Meeting held on June 1, 1990, the dividend for the 1989 fiscal year is payable, free of charge, as of June 5, 1990 by BANQUE PARIBAS (SUISSE) S.A., UNION DE BANQUES SUISSES and CRÉDIT SUISSE, as follows:

Per bearer share issued prior to January 1, 1989, of SF 1,000 nominal value, against remittance of coupon No 13:

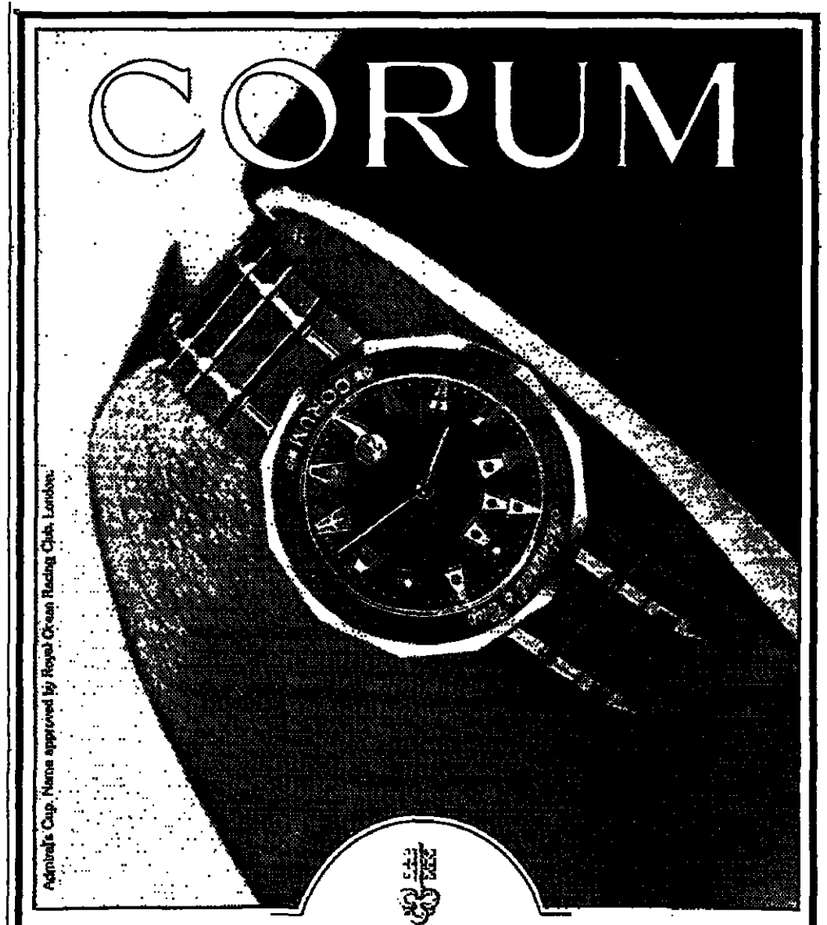
Gross amount: SF 65.00
(-35% Federal withholding tax)

Value number: 217375

Per bearer share issued on June 1989, of SF 1,000 nominal value, against remittance of coupon No 13:

Gross amount: SF 32.50
(-35% Federal withholding tax)

Value number: 217379

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Market Retreats On Profit-Taking

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell in moderate trading Wednesday as the market was unable to fight off profit-takers after its recent gains.

The Dow Jones industrial average, which lost 10.19 points Tues-

N.Y. Stocks

day, fell 13.35, to close at 2911.65.

Among broader market gauges, the New York Stock Exchange index fell 0.78, to 199.15, and Standard & Poor's 500-stock index slumped 1.68, to 364.96. An average share fell 15 cents.

Declines led advances by a 4-3 margin on the NYSE. Big Board volume totaled 164 million shares, down from 199.7 million shares traded Tuesday.

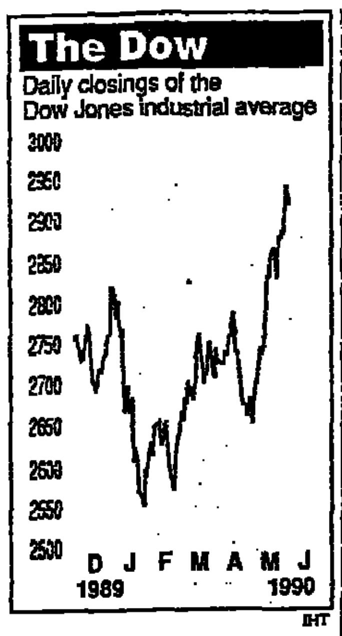
For the second day in a row, the market succumbed to profit-taking after rallying to all-time highs in the Dow industrials and other major indexes Monday. The blue-chip index has hit 10 record highs in the last four weeks.

The market slipped after rumors spread that a large nuclear cloud had been discovered over the Barents Sea in the Soviet Union, analysts said. Meteorological officials in several countries stressed, however, that the reports were unfounded.

Analysts said they expected buying interest in the market to remain in check because many investors expect more of a pullback after the record highs, making stocks available at lower prices.

On the trading floor, Union Carbide was the most active issue, up 1 to 21.

The Amex index rose 0.78, to 364.19. The price of an average share gained 2 cents. Declines narrowly led advances. Volume totaled 14.5 million shares, up from 13.3 million traded Tuesday.



Dollar Posts Gains In U.S. Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed mostly firmer after a slow session on Wednesday, as dealers continued to grope for fresh direc-

Foreign Exchange

tion in the absence of major market-affecting news.

Trading, which has been dominated by technical factors, is expected to stay slow until next week, when the United States will issue a slew of inflation and trade indicators, dealers said.

Yet the dollar is expected to remain relatively well bid, owing to uncertainties over German monetary union and concerns over political events in the Soviet Union.

The U.S. currency rose to 1.6882 Deutsche marks from 1.6857 DM at Tuesday's close, and to 152.68 yen from 152.45. It also gained to 1.4353 Swiss francs from 1.4285, and to 5.6895 French francs from 5.6820.

The dollar fell against the pound, however, which rose to $1.6875 from $1.6870.

Analysts said the Canadian dollar garnered much of the attention during the day, as the market became more optimistic that talks between Prime Minister Brian Mulroney and the premiers of Canada's provinces would result in an accord that will prevent secession by Quebec.

The U.S. dollar ended at 1.1699 Canadian dollars, down from 1.1765 dollars.

In London trading earlier, the dollar ended little changed after trading in a tight range because of offsetting concerns, dealers said.

The dollar remained underpinned by political uncertainty in Europe and the Soviet Union, but expectations of lower U.S. interest rates and fears of Bundesbank intervention to support the Deutsche mark continued to weigh on the U.S. currency.

The dollar edged down to 1.6870 DM from 1.6918 DM on Tuesday and to 152.70 yen from 152.83. It also slipped to 1.4315 Swiss francs from 1.4375 DM and to 5.6875 French francs from 5.7075.

The British pound rose to $1.6865 from $1.6855.

(Reuters, UPI)

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
UCarb	20787	21	19¾	21	+1
PhilMr s	20656	45¼	44⅝	44⅞	+ ⅜
EKodak	20444	42⅛	40	41⅞	+1⅞
AbtLab s	19469	39⅛	37⅞	38⅞	+ ⅞
Upjohn	18125	42¾	41⅝	42	—1¼
SunMn	16704	3⅛	3	3	— ⅛
OcciPet	16151	27	26¼	26½	— ⅝
Citicorp	16087	25¼	24¼	24⅝	— ⅝
IBM	15433	122¼	120⅝	120⅞	+ ⅛
NorTel	14817	29¼	28⅞	29⅛	+ ⅛
AT&T	13309	43⅛	42⅜	42¾	— ⅜
Exxon	12818	48⅛	47⅝	48	— ¼
CocaCl s	12582	46¼	45⅝	45⅝	— ⅝
BakrHu	12282	27⅞	27⅛	27⅜	— ½
FdNM s	11071	42⅝	41⅞	42⅛	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Hasbro	11280	21⅛	20⅜	20⅝	— ⅛
Amdhl	5127	16	15⅝	15⅝	— ⅜
HomeSh	4640	8¼	7⅞	8⅛	+ ¼
Teleaph	4598	5⅜	5¼	5⅜	+ ¼
FrufrL	3692	14⅛	13⅞	14	+ ¼
Nabors	3557	5⅝	5⅜	5⅜	— ⅛
JanBell	3447	12⅝	12⅛	12⅜	— ½
Atari	3330	5⅝	5½	5½	— ⅛
ENSCO	3316	4⅝	4⅜	4⅝	+ ¼
AT&E	2560	22⅞	21⅝	22⅜	+ ¾
Wthfrd	2050	7¾	7⅝	7⅝	
TexAir	2026	7⅜	7⅛	7¼	— ⅛
Baldw s	1892	8⅝	8½	8½	— ¼
EchoBy	1867	13⅛	12¾	12⅞	— ¼
PegGld	1672	10⅛	10	10	

NYSE Diary

	Close	Prev.
Advanced	656	774
Declined	871	813
Unchanged	490	463
Total Issues	2017	2050
New Highs	29	67
New Lows	27	35

Amex Diary

	Close	Prev.
Advanced	283	275
Declined	282	326
Unchanged	267	231
Total Issues	832	832
New Highs	16	22
New Lows	14	15

NASDAQ Diary

	Close	Prev.
Advanced	920	968
Declined	990	1,053
Unchanged	2,387	2,275
Total Issues	4,297	4,296

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2912.86	2936.65	2891.99	2911.65	—13.35
Trans	1210.58	1218.80	1203.28	1212.77	+ 0.18
Util	214.47	215.92	213.22	214.54	— 0.56
Comp	1059.50	1067.47	1052.48	1059.88	— 3.03

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	426.74	424.03	424.61	—2.13
Transp.	291.94	289.21	291.30	+1.30
Utilities	147.13	146.56	146.97	—0.16
Finance	31.41	31.14	31.16	—0.25
SP 500	366.64	364.42	364.96	—1.68
SP 100	348.25	345.76	346.15	—1.93

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	199.77	199.04	199.15	—0.78
Industrials	244.97	244.12	244.12	—1.12
Transp.	182.55	181.57	182.55	+0.94
Utilities	75.80	75.60	75.66	—0.12
Finance	153.35	152.74	152.74	—0.77

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	464.96	+0.35	458.77	431.34
Industrials	491.66	—0.46	489.03	454.66
Finance	468.34	+1.06	455.25	446.94
Insurance	516.55	+2.77	497.84	483.30
Utilities	668.81	+0.68	658.01	595.11
Banks	357.28	+3.89	348.37	346.08
Transp.	497.19	+3.80	484.12	465.71

AMEX Stock Index

High	Low	Close	Ch'ge
364.29	363.28	364.19	+0.36

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.99	+0.08
Utilities	92.00	—0.04
Industrials	89.99	+0.20

Market Sales

NYSE 4 p.m. volume	164,820,000
NYSE prev. cons. close	241,375,950
Amex 4 p.m. volume	14,500,000
Amex prev. cons. close	13,310,000
NASDAQ 4 p.m. volume	156,516,200
NASDAQ prev. 4 p.m. volume	173,459,000
NYSE volume up	54,430,000
NYSE volume down	85,762,000
Amex volume up	4,530,000
Amex volume down	6,084,000
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
June 5	842,299	870,001	5,553
June 4	494,731	604,814	41,506
June 1	338,882	545,745	60,436
May 31	489,863	329,361	16,995
May 30	438,566	618,003	37,689

*Included in the sales figures

Currency Options

PHILADELPHIA EXCHANGE June 6

Option & Underlying	Strike Price	Calls—Last Jun	Jul	Sep	Puts—Last Jun	Jul	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	74	r	r	r	r	0.13	r
77.21	77	r	r	r	0.42	r	r
77.21	78	r	0.36	r	r	r	
31,250 British Pounds-cents per unit.							
Pound	160	r	r	r	r	r	1.30
168.82	162½	4.15	r	r	r	r	r
168.82	165	3.85	r	4.40	r	1.05	r
168.82	167½	1.60	r	3.02	0.45	r	
168.82	170	0.42	r	2.02	1.92	r	
50,000 Canadian Dollars-cents per unit.							
Dollr	81½	r	r	r	r	r	0.24
85.41	83	r	r	r	0.04	0.14	0.55
85.41	83½	r	r	r	0.04	0.27	0.76
85.41	84	r	r	r	r	0.35	0.95
85.41	84½	r	r	0.94	r	0.12	0.51
85.41	85	0.40	r	r	r	0.80	1.50
85.41	85½	r	0.41	r	r	r	r
85.41	86	0.06	0.24	r	r	1.47	2.25
85.41	86½	r	0.14	0.31	r	r	r
50,000 Canadian Dollars-European Style.							
Dollar	83	r	r	r	r	0.11	r
85.41	85½	r	0.38	r	r	r	r
85.41	86	0.09	r	r	r	r	
62,500 West German Marks-cents per unit.							
Mark	56	r	r	r	r	0.01	r
59.15	57½	r	r	s	r	0.22	
59.15	58	r	1.56	r	r	0.30	0.73
59.15	58½	r	1.18	s	0.14	r	
59.15	59	0.53	0.91	r	0.26	0.64	r
59.15	59½	0.29	r	r	s	r	r
59.15	60	0.13	r	0.98	r	1.22	r
59.15	61	0.03	0.22	r	r	1.94	r
59.15	61½	r	0.15	s	r	r	
59.15	62	r	0.10	r	r	r	r
59.15	63	r	0.05	0.25	r	r	r
59.15	64	r	0.02	r	r	r	
62,500 West German Marks-European Style.							
59.15	60½	r	0.31	s	r	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	62	r	r	r	r	r	0.16
65.55	63	r	r	r	0.82	r	r
65.55	63½	r	r	s	0.02	r	
65.55	64	r	r	r	r	r	0.53
65.55	65	r	r	r	0.16	0.45	r
65.55	65½	r	0.77	s	r	r	
65.55	66	0.20	0.56	1.07	r	r	1.33
65.55	66½	r	0.39	s	r	r	
65.55	67	0.04	0.27	0.65	r	r	
65.55	68	0.02	r	0.43	r	r	
65.55	69	r	0.06	r	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	64	r	r	r	r	0.01	r
69.71	65½	4.56	s	s	r	s	
69.71	66	4.05	r	r	r	0.04	r
69.71	67	r	r	r	r	0.15	r
69.71	68	r	r	r	r	0.26	r
69.71	69	1.23	r	r	0.24	0.52	r
69.71	70	0.45	r	r	0.45	0.95	r
69.71	70½	0.27	0.69	s	r	r	
69.71	71	0.16	r	r	r	r	r
69.71	71½	0.09	r	s	r	r	
69.71	72	r	0.28	r	r	r	

Total call vol. 28,876 378,083
Total put vol. 6,111 378,474
r—Not traded. s—No option offered.
Last is premium (purchase price).

Dividends

Company	Per	Amt	Pay	Rec
USUAL				
Alaska Air Group	Q	.05	8-3	7-13
Atlantic Energy	Q	.72	7-16	6-15
Berkshire Gas Co	Q	.32	7-15	6-30
Birst Myers Squibb	Q	.53	8-1	7-6
Conseco Inc	Q	.05	7-2	6-20
Hamilton Oil Corp	Q	.02½	7-6	6-15
Intermark Inc	Q	.03	7-2	6-18
McDermott Intl	Q	.25	7-1	6-15
Premier Industrial	Q	.10	7-10	6-22
Regional Bancorp	Q	.15	7-13	6-15
Tosco Corp	Q	.15	6-29	6-20

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	304.60	304.80	305.00	301.00	301.00	301.40
Oct	301.20	301.40	301.80	297.60	298.00	298.20
Dec	286.00	304.00	300.00	295.00	288.00	300.00
Mar	285.40	285.60	285.40	282.40	282.60	283.00
May	285.00	285.40	285.00	282.80	281.40	282.00
Aug	283.00	284.00	284.00	280.00	280.60	281.40
Oct	277.40	283.00	277.00	277.00	272.00	280.00

Volume: 3,522 lots of 50 tons.

LONDON COCOA Sterling per metric ton						
Jul	853	855	875	843	854	855
Sep	870	871	890	860	882	883
Dec	889	891	910	880	905	907
Mar	906	907	927	900	924	925
May	919	920	945	915	939	940
Jul	934	935	959	934	950	954
Sep	948	950	964	948	966	970

Volume: 7,512 lots of 10 tons.

LONDON COFFEE Sterling per metric ton						
Jul	632	633	644	630	639	640
Sep	647	648	658	645	654	655
Nov	661	662	672	660	668	667
Jan	673	675	686	674	680	682
Mar	690	691	699	690	692	695
May	704	706	715	708	706	710
Jul	705	720	730	722	710	721

Volume: 1,815 lots of 5 tons.

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Aug	2,350	2,340	2,350	2,355	—26
Oct	2,150	2,140	2,145	2,155	—18
Dec	N.T.	N.T.	2,160	2,120	—8
Mar	N.T.	N.T.	2,080	2,100	—5
May	N.T.	N.T.	2,080	2,100	—

Est. vol.: 2,008 lots of 50 tons. Prev. actual sales: 521 lots. Open interest: 18,561.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1610.00	1612.00	1604.00	1606.00
Forward	1616.00	1618.00	1612.00	1613.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1550.00	1551.00	1563.00	1565.00
Forward	1487.00	1488.00	1490.00	1491.00
LEAD Sterling per metric ton				
Spot	485.00	486.00	488.00	490.00
Forward	487.00	488.00	490.00	491.00
NICKEL Dollars per metric ton				
Spot	7900.00	7905.00	8110.00	8120.00
Forward	7910.00	7925.00	8130.00	8140.00
TIN Dollars per metric ton				
Spot	6220.00	6230.00	6230.00	6260.00
Forward	6350.00	6360.00	6360.00	6390.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1710.00	1715.00	1760.00	1765.00
Forward	1652.00	1655.00	1685.00	1687.00

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.75	0.75
Coffee, lb	0.82	0.82
Copper electrolytic, lb	1.262	1.26
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	5.045	5.06
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	105.00	105.00
Tin, lb	3.7939	3.7939
Zinc, lb	0.83	0.83

Drexel Readies Reorganization Plan Said to Fully Pay Off Its Creditors

NEW YORK (Reuters) — Drexel Burnham Lambert Group Inc. said Wednesday it was presenting creditors with a reorganization plan, which sources at the once powerful firm said includes a proposal to provide payment of all of its obligations.

A Drexel spokesman, Steve Anreder, said the brokerage firm's parent company, which is also in bankruptcy protection, had filed to extend a June 13 deadline for it to exercise the exclusive right to develop a reorganization plan. Mr. Anreder said a court hearing had been set for next week to consider Drexel's request to extend the exclusivity period.

Mr. Anreder declined to provide details of the reorganization plan. But sources at Drexel said the firm, which has said it is considering reopening for business as a scaled-down operation, is offering full payment to creditors. "It is a preliminary plan to provide full restitution," said one source, who asked not to be identified.

Hitachi Claims Fastest Mainframe

TOKYO (Combined Dispatches) — Hitachi Ltd. of Japan said Wednesday that it had developed the world's fastest mainframe computer, the first time the company has beaten the industry leader, IBM, and other manufacturers in the release of a new generation of computers.

Hitachi said the three new models of its HDS EX Series mainframe computers will use about 20 percent less power and occupy half the space of the latest competitors developed by International Business Machines Corp.

Hitachi, however, was not expected to ship the new models in Japan until the fall, and in the United States until the second quarter of 1991, about the same time IBM was expected to have its latest mainframe ready, analysts said. *(AP, Reuters)*

Texas Air to Be Called Continental

HOUSTON (Reuters) — Frank A. Lorenzo, chairman of Texas Air Corp., said Wednesday the company would change its name to Continental Airlines Holdings Inc.

Mr. Lorenzo said, "The name change was made to reflect the fact that the principal business of the company is Continental." Texas Air's other major subsidiary, Eastern Airlines, is operating under bankruptcy court protection. It is being managed by a court-appointed trustee.

Hewlett Signs a $400 Million Deal

PALO ALTO, California (Reuters) — Hewlett-Packard Co. said Wednesday that it had signed a three-year contract, valued at up to $400 million, under which Mentor Graphics Corp. would buy HP/Apollo workstations, servers and other hardware and software products and services.

The company said Mentor, under the agreement, will continue to buy a range of HP/Apollo products and would support a new family of HP platforms based on Motorola Inc.'s 68040 microprocessor — planned for introduction later this year — and upcoming enhancements to the Series 10000 personal supercomputer.

For the Record

The Playboy mansion, a stately 72-room home with indoor swimming pool and bowling alley, is being sold by the School of the Art Institute in Chicago. The Chicago-based Playboy Enterprises Inc. donated use of the building to the school in 1984. *(AP)*

Genentech Inc. said the U.S. Food and Drug Administration granted approval to market its cardiovascular drug Activase, or t-PA, for the treatment of obstruction of the arteries of the lungs. The drug is already licensed as a treatment for heart attack patients. *(Reuters)*

SCA Group of Sundsvall, Sweden, said it would delist its American Depositary Shares from NASDAQ trading. It cited a small number of U.S. shareholders and the expense of the program. *(Reuters)*

The Civil Aviation Administration of China said it placed an $5 million order for CFM International's CFM56-3 engine to power 13 Boeing 737-300 aircraft. CFM is a 50-50 joint venture company of General Electric Co. and SNECMA of France. *(Reuters)*

The Daily Source for International Investors.



Rocard Tries to Ease Fear of Higher French Tax on Profit

Reuters

PARIS — Prime Minister Michel Rocard on Wednesday sought to calm fears among investors that the Socialist government of France could seek to boost its popularity by raising new taxes on speculative profits.

"No country, and ours no more than others, can afford to penalize external investment," Mr. Rocard told the National Assembly, "by a heavier penalty on stock market transactions or financial gains."

President François Mitterrand, who has been losing ground in opinion polls this year, spoke out last week against speculators who grew rich overnight.

Socialist deputies on Wednesday published a report fleshing out Mr. Mitterrand's proposal for higher taxes on capital gains.

But Mr. Rocard signaled that he would oppose any move to penalize the financial markets because this might scare capital out of France.

"We are competing with tax havens and other countries that can afford a more lax approach," he said.

Mr. Mitterrand had also contrasted the vast profits to be made from "easy money" with the plight of workers struggling on the minimum wage. This has raised suggestions that the government could relax its tight wage control policy.

The franc and the stock market, which have both enjoyed a bullish run over the last two months, have suffered as analysts pointed to the risks of higher inflation and lower profits for industry.

French stock prices were lower in quiet trade Wednesday. The CAC-40 index closed down 24 points at 2,045.43.

The report said capital gains in France are under-taxed, compared with other forms of income.

WORLD STOCK MARKETS

Agence France Presse June 6

Amsterdam	Close	Prev.
ABN Bank	36.70	36.80
ACF Holding	36.90	37
Aegon	126.70	128.30
Ahold	142.50	143.20
Akzo	121.40	121.70
AMEV	57	57
A'Dam Rubber	N.A.	5.15
Amro Bank	73.40	73.80
Bols	178.70	179.50
Buhrmann Tett	67.20	68
BVG	25	25
Center Parcs	N.A.	56.20
CSM	84.20	84.20
DAF	31.30	31.20
DSM	117.50	118.30
Elsevier	N.Q.	89.50
Fokker	48.10	48.30
Gist-Brocades	34.40	33.80
Heineken	125.70	127
Hoogovens	75	75.80
Hunter Douglas	105.20	106
IHC Caland	49.40	48.80
Inter Mueller	98	98.50
KLM	34.10	34.40
KNP	47.10	47
Nat Neder	73.30	73.70
Nedlloyd	81.30	81.20
NMB Bank	50	51.30
Oce Grinten	60.50	61.40
Pakhoed	197.20	195.20
Philips	34.50	34.90
Robeco	101.20	101.70
Rodamco	80.60	80.60
Rolinco	101.60	101.70
Rorento	59.20	59.20
Royal Dutch	142.70	144.50
Unilever	156.80	158.40
Van Ommeren	43.40	43.00
VMF Stork	57.20	56.80
VNU	100.20	101
Wessanen	74.80	75.30
Wolters/Kluwer	54.70	55.50

CBS Gen'l Trend Index : 128.60
Previous : 121.80

Brussels	Close	Prev.
AG Fin	9600	9510
Arbed	5740	5660
Barco	5740	2430
Bekaert	N.A.	—
Cockerill	197	201
Cobepa	N.A.	—
Delhaize	N.A.	—
EBES	4025	4025
GB-Inno-BM	1380	1392
GBL	4000	4080
Gevaert	8700	8540
Hoboken	17700	18600
Intercom	3220	3210
Kredietbank	4115	4100
Petrofina	12175	12100
Royal Belge	5700	5660
Soc Gen Baue	N.A.	—
Soc Gen (resrv)	3315	3310
Sofina	13800	13380
Solvay	14450	14250
Tractebel	9180	9320
UCB	24125	24700
Unerg Ps	2465	2440

Current Stock Index : 6342.54
Previous : 6344.27

Frankfurt	Close	Prev.
AEG	300.50	297.50
Allianz Hold	2595	1865
Altana	482	474
Asko	945	935
BASF	301.50	305.50
Bayer	311.30	311.30
Bay Vereinsbk	377	382.50
BBC	815	770
BHF Bank	464	460
BMW	576.50	583.50
Commerzbank	283	286.50
Continental	300	302.50
Daimler Benz	815	834
Degussa	468	470
Dt Babcock	214.50	214
Deutsche Bank	780.50	798
Douglas	848	855
Dresdner Bank	416.50	420.50
Feldmuehle	514.10	514.60
Harpener	485	N.Q.
Henkel	619	623.50
Hochtief	1352	1395
Hoechst	298.10	301.80
Hoesch	354	371
Holzmann	1350	1550
Horten	265	270
IWKA	422	420
Kali Salz	264	267.50
Karstadt	666	675
Kaufhof	631	638
KHD	278.80	280.80
Kloeckner Werke	218	221.50
Krupp Stahl	412	414
Linde	977	997
Lufthansa	174	173
MAN	490.50	492.50
Mannesmann	345.50	353.50
Metallgesell	617	626
Muench Rueck	2260	N.Q.
Nixdorf	347	342
PKI	560	533
Porsche	0	1195
Preussag	447	452
PWA	322	320
RWE	476	487
Rheinmetall	459	533
Schering	N.Q.	—
SEL	387	384
Siemens	726	737.50
Thyssen	285	288.50
Varta	393	390
Veba	426	434.50
VEW	233	223
Viag	409	412.50
Volkswagen	613	623
Wella	618.80	751

DAX Index : 1949.82
Previous : 1976.89
FAZ Index : 787.46
Previous : 794.22

Helsinki	Close	Prev.
Amer A	124	125
Enso-Gutzeit	32.30	31.50
K.O.P.	52.10	51.10
Kymmene	93	95
Nokia	105	104
Pohjola	N.A.	185
Stockmann	188	215
United Papers	190	182
Wartsila	400	418

Unitas Index : 578.70
Previous : 575.70

Hong Kong	Close	Prev.
Bk East Asia	14.40	14.30
Cathay Pacific	9.58	9.35
Cavendish Int'l	3.80	3.53
Cheung Kong	12.30	12.20
China Light Pwr	13.40	13.60
Dairy Farm Int'l	10.10	10.50
Hang Lung Dev	5	5
Hang Seng Bank	20.50	20.50
Henderson Land	7.30	7.35
HK Air Eng.	20	19.80
HK China Gas	10.90	10.80
HK Electric	7.95	7.93
HK Land	8.45	8.35
HK Realty Trust	4.73	4.60
HK Shang Bank	5.95	6
HK Shang Htls	4.88	4.85
HK Telecomm	6.20	6
HK Ferry	5.10	5
Hutch Whampoa	11.10	11
Hysan Dev	1.24	1.22
Jardine Math.	31.50	32.50
Jardine Str Hld	17.10	17.70
Kowloon Motor	6.35	6.35
Mandarin Orient	6.20	6.30
Miramar Hotel	6.95	6.90
New World Dev	10.50	10.70
SHK Props	13.80	14
Stelux	3.93	3.88
Swire Pac A	20.10	19.50
Tai Cheung Prps	4.38	4.33
TVE	1.03	1.01
Wharf Hold	7.85	7.90
Wing On Co	7	6.90
Winsor Ind.	8.20	8.20
World Int'l	4.13	4.08

Hang Seng Index : 3172.80
Previous : 3157.86

Johannesburg	Close	Prev.
AECI	18	18
Altech	63	63
Anglo Amer Corp	129	126.50
Barlows	38	38
Blyvoor	10.50	11
Buffels	57	55
GFSA	79	78.50
Harmony	26	26
Highveld Steel	17.25	17.25
Kloof	37.50	36.70
Nedbank Grp	10.40	10.40
Rusplat	91	89
SA Brews	40.50	40.35
St Helena	41	41
Sasol	12.80	12.60
Welkom	21.50	23
Western Deep	129	126

Composite Stock Index : 3196
Previous : 3142

London	Close	Prev.
Allied Lyons	5.05	5.18
Anglo Am Gld	49.03	48.44
AA Corp	19.63	19.38
Asda-MFI Gp	1.14	1.08
Ass Brit Foods	4.06	4.05
Barclays	4.07	4.13
Bass	10.67	10.96
B.A.T.	6.50	6.56
Blue Circle	2.36	2.39
BOC Group	5.56	5.67
Boots	2.99	3.04
Bowater	5.20	5.26
BAe	5.40	5.44
BAA	4.22	4.27
Brit Airways	2.04	2.07
British Gas	2.18	2.20
BP	3.20	3.27
British Steel	1.45	1.44
Brit Telecom	2.89	2.94
BTR	5.42	4.45
Burmah Oil	6.42	6.48
Cable Wire	5.48	5.53
Cadbury Sch	2.91	3.50
Charter Cons	4.52	4.43
Comm Union	N.A.	4.96
Cookson	2.15	2.29
Courtaulds	3.42	3.45
Dalgety	3.47	3.48
De Beers	15.16	15
Dixons	1.39	1.41
Driefontein	6.32	6.19
Eurotunnel	5.15	5.33
Fisons	3.76	3.80
Gen Acc F	11.25	11.28
GEC	2.18	2.13
GKN	3.88	3.87
Glaxo	7.95	7.96
Grand Met	6.41	6.36
Gt Univ Stores	13.58	13.55
GRE	2.42	2.41
Guinness	7.80	7.85
Hanson Tr	2.42	2.44
Hawker Sidd	6.88	6.83
ICI	11.95	12.01
Kingfisher	3.32	3.33
Land Sec	5.03	12.05
Legal Gen Grp	4.05	4.09
Lloyds Bank	2.99	3.07
Lonrho	2.56	2.57
Lucas Ind	6.57	6.58
Marks Sp	2.22	2.22
Maxwell	1.96	1.98
MB Group	2.18	2.20
Midland Bk	3.07	3.12
NatWest	3.59	3.65
Pearson Grp	7.45	7.40
P and O	2.02	6.28
Pilkington	2.02	1.96
Prudential	2.26	2.32
Racal Elec	2.14	2.15
Randfontein	3.17	3.12
Rank Org	8.32	8.33
Reed Intl	4.33	4.47
Reuters	11.95	12.03
Rolls Royce	2.26	2.28
Royal Dutch	44.63	45.63
RTZ	5.84	5.80
Saatchi	1	1.06
Sainsbury	2.86	2.85
Sears Holds	1.05	1.02
Shell	4.56	4.65
Skibec	5.45	5.44
STC	2.76	2.65
Std Chart Bk	4.70	4.75
Storehouse	1.27	1.26
Sun Alliance	3.20	3.23
Tate and Lyle	3.84	3.13
Tesco	2.21	2.21
Thorn EMI	7.62	7.66
T.I. Group	4.83	4.87
Trafalgar Hse	3.15	3.22
THF	2.92	2.92
Ultramar	3.38	3.32
Unilever	7.06	7.02
Utd Biscuits	3.45	3.45
Vickers	2.37	2.39
War Loan 3½	32.63	32.81
Wellcome	6.55	6
Woolworth	N.Q.	—

F.T. 30 Index : 1881.00
Previous : 1893.50
F.T.S.E. 100 Index : 2358.50
Previous : 2388.10

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3130	3130
Banco Central	4860	4935
Bco. Santander	4725	4730
Banesto	3800	3840
Dragados	3355	3400
Iberduero	660	667
Telefonica	841	845

S.E. General Index : 286.46
Previous : 288.86

Milan	Close	Prev.
Banca Comm	5390	5320
Bastogi	345	345
Ciga hotels	6000	5980
CIR	5735	5695
Cred Ital	2855	2800
Enimont	1480	1465
Eridania	9778	9870
Ferruzzi Fin.	3183	3130
Ferruzzi Agr.	2636	2555
Fiat SPA	10650	10780
Generali	43700	43950
IFI	30000	30250
Italcem	14250	14280
Italgas	3015	2999
Italmobiliare	2240a	2230a
Mediobanca	20850	21000
Montedison	2035	2035
Olivetti	7152	7173
Pirelli	2910	2915
RAS	26000	26180
Rinascente	7395	7520
Saipem	3100	2950
SIP	1458	1644
SME	4291	4289
Snia	2675	2690
Standa	33460	33600
Stet	6410	6406
Toro Assi Risp	25800	25850

a: x 100.
MIB current index : 1097.48
Previous : 1093.80

Montreal	Close	Prev.
Alcan Aluminum	26⅞	27
Bank Montreal	28¾	27⅝
Bell Canada	40⅜	40⅜
Bombardier A	17⅛	17⅝
Bombardier B	17⅛	17⅝
Cambior	12½	12
Cascades	N.A.	4.05
Dominion Text A	11⅝	11⅞
Donohue	N.Q.	10
MacMillan Bl	18⅛	18⅝
Memotec	N.A.	8
Natl Bk Canada	9⅝	9⅝
Noverco	14⅛	14⅛
Power Corp.	15¼	N.Q.
Provigo	8⅝	8⅝
Quebec Tel	14⅝	N.Q.
Quebecor A	N.Q.	13
Quebecor B	10⅝	10⅝
Videotron	12⅝	12½

Industrials Index : 1648.56
Previous : 1646.79

Paris	Close	Prev.
Accor	987	998
Air Liquide	744	757
Avions Dassault	505	510
Bancaire (Cie)	578	688
BIC	647	624
Bongrain	3420	3465
Bouygues	648	650
BSN-GD	858	871
Carrefour	3501	3631
Cerus	385	386
C.G.E.	622	631
Chargeurs	1055	1065
Club Med	649	650
Damez	628	634
Elf-Aquitaine	679	691
Europe 1	1381	1389
Gen. Eaux	2663	2695
Hachette	390	398
Havas	656	674
Imetal	345	345.10
Lafarge Coppee	471	482.50
Legrand	4500	4515
Oreal (L')	5110	5180
L.V.M.H.	4590	4595
Matra	392.10	398.50
Merlin Gerin	6100	6110
Michelin B	125.10	128.30
Moulinex	114.20	113
Occidentale	770	792
Paribas	643	657
Pernod-Ricard	1231	1269
Perrier	1658	1665
Peugeot	811	828
Printemps (Au)	678	690
Radiotechnique	688	698
Raff. St. Louis	1579	1580
Redoute (La)	3400	3520
Roussel Uclaf	2300	2315
Saint Gobain	574	587
Sanofi	1007	1027
Skis Rossignol	1070	1060
Ste Generale A	587	600
Suez	451.30	457
Telemecanique	5060	5060
Thomson-CSF	125.10	128.50
Total	672	691
Valeo	619	616

CAC 40 Index : 2045.43
Previous : 2077.48

Sao Paulo	Close	Prev.
Banco do Brasil	13.20	12.20
Bradesco	0.68	0.67
Brahma	3.20	3
Paranapanema	0.69	0.62
Petrobras	727	721
Vale Rio Doce	27.70	26.70
Varig	14.20	14.20

Bovespa Index : 14959
Previous : 14399

Singapore	Close	Prev.
City Dev.	3.72	3.66
DBS	13.40	13.40
Fraser Neave	8.90	9.05
Genting	9.30	9.10
Harrisons Plant	1.64	1.67
Haw Par	2.80	2.70
Hume	3.54	3.52
Inchcape	5.50	5.50
Keppel	7.80	8
KL Kepong	2.92	2.94
Lum Chang	1.45	1.47
Malayan Banks	9.45	9.40
OCBC	8.35	8.40
OUB	5.05	5
OUE	9.20	9.20
Sembawang	7.43	7.45
Shangrila	8.85	8.85
Sime Darby	2.85	2.88
SIA	13.20	13.30
S'pore Land	15.20	15
S'pore Press	7.80	7.80
Sing Steamship	3.86	3.84
Straits Trading	3.40	3.42
UOB	5.55	5.55
United Overseas	2.22	2.19

Straits Times Ind. : 1550.93
Previous : 1558.71

Stockholm	Close	Prev.
AGA	305	306
Alfa Laval	257	252
Asea	785	800
Astra-A	535	555
Atlas Copco	340	342
Electrolux B	252	257
Ericsson	1300	1340
Esselte-A	230	225
Handelsbanken	118	118
Pharmacia-A	N.Q.	—
Norsk Hydro	202	205.50
Saab-Scania	250	280
Sandvik	297	296
SCA-A	126	127
S-E. Banken	84.50	82.50
Skandia F	197	196
Skanska	505	507
SKF	173	172
Stora	315	315
Volvo	355	354

Affarsvarlden Index : 1273.50
Previous : 1279.20

Sydney	Close	Prev.
ANZ	4.98	4.98
BHP	9.48	9.48
Bond	0.16	0.17
Boral	3.56	3.59
Bougainville	1.10	1.12
Coles Myer	7.56	7.56
Comalco	4.30	4.30
CRA	12.40	12.30
CSR	5.28	5.32
Dunlop	5.02	5
Elders IXL	1.92	1.92
ICI Australia	N.Q.	4.47
Magellan	1.56	1.60
MIM	2.38	2.29
Nat Aust Bank	6.48	6.54
News Corp	10.25	10.25
N Broken Hill	2.40	2.42
Poseidon	2.52	2.55
QCT Resources	N.Q.	1.43
Santos	4.25	4.24
TNT	2.73	2.73
Western Mining	4.74	4.75
Westpac Banking	4.97	4.97
Woodside	2.96	3

All Ordinaries Index : 1526.90
Previous : 1520.80

Tokyo	Close	Prev.
Akai Electr	1090	1060
Asahi Chemical	940	930
Asahi Glass	1910	1910
Bank of Tokyo	1580	1580
Bridgestone	1570	1570
Canon	1770	1770
Casio	1600	1600
C.Itoh	918	922
Dai Nippon Print	1970	2000
Daiwa House	2480	2480
Daiwa Securities	1660	1670
Fanuc	7180	7240
Fuji Bank	2760	2780
Fuji Photo	4190	4130
Fujitsu	1450	1440
Hitachi	1580	1580
Hitachi Cable	1170	1120
Honda	1790	1780
Ito Yokado	4200	4210
Japan Air Lines	18200	18000
Kajima	1960	1980
Kansai Power	3760	3780
Kawasaki Steel	620	615
Kirin Brewery	1870	1860
Komatsu	1190	1180
Kubota	1080	1090
Kyocera	7900	7950
Matsu Elec Inds	2210	2220
Matsu Elec Wks	2060	2060
Mitsubishi Bk	2520	2530
Mitsubishi Kasei	800	800
Mitsubishi Elec	992	990
Mitsubishi Hev	1100	1070
Mitsubishi Corp	1590	1610
Mitsui and Co	1030	1030
Mitsukoshi	1880	1890
Mitsumi	1570	1590
NEC	2050	2080
NGK Insulators	1590	1600
Nikko Securities	1370	1390
Nippon Kogaku	1620	1640
Nippon Oil	1380	1400
Nippon Steel	616	615
Nippon Yusen	942	939
Nissan	1200	1190
Nomura Sec	2460	2480
NTT (SF)	10673	10850
Olympus Optical	1570	1580
Pioneer	6160	6280
Ricoh	1110	1120
Sanyo Elec	990	975
Sharp	1800	1820
Shimazu	1240	1240
Shinetsu Chem	1640	1650
Sony	8560	8650
Sumitomo Bk	2600	2630
Sumitomo Chem	709	713
Sumi Marine	1180	1150
Sumitomo Metal	615	610
Taisei Corp	1390	1400
Taisho Marine	1160	1170
Takeda Chem	1770	1780
TDK	6610	6700
Teijin	770	771
Tokyo Marine	1500	1530
Tokyo Elec Pw	4540	4600
Toppan Printing	1850	1870
Toray Ind.	830	836
Toshiba	1080	1080
Toyota	2610	2540
Yamaichi Sec	1370	1400

Nikkei 225 : 32954
Previous : 32922
Topix Index : 2423
Previous : 2425

Toronto	Close	Prev.
Abitibi Price	N.Q.	—
Agnico Eagle	8	8
Air Canada	10⅛	10⅛
Alberta Energy	16⅛	16⅛
Am Barrick Res	29⅝	29½
BCE	40⅝	40⅛
BCED	0.40	0.42
Bk Nova Scotia	14¼	14¼
BC Gas	15	14⅜
BC Phone	18⅝	18⅝
BP Canada	19¼	19½
Bramalea	13⅛	N.Q.
Brunswick	9⅝	9⅝
CAE	6⅛	6⅝
Campeau	2.05	N.Q.
CIBC	27⅝	27⅝
Canadian Pacific	22⅛	22½
Can Packers	N.Q.	12⅝
Can Tire A	21⅝	21⅝
Cantor	28½	28
Cara	N.Q.	16⅛
CCL Ind B	9½	9½
Cineplex	5⅛	5⅛
Cominco	27½	27⅝
Conwest Expl A	N.Q.	—
Corona A	7½	8
Denison Min B	1.15	1.10
Dickenson Min A	N.Q.	—
Dofasco	22⅛	22⅜
Dylex A	5⅛	5⅛
Echo Bay Mines	15⅝	15¼
Equity Silver A	1.92	1.91
FCA Intl	10⅛	10
Fed Ind A	13⅛	13⅛
Fletcher Chall A	16⅛	16⅛
FPI	5	5
GoldCorp	4.60	4.60
Grafton Group	N.Q.	—
Gulf Cda Res	15⅛	15
Hees Intl	25⅛	24⅞
Hemlo Gld Mines	13	13⅛
Hollinger	12⅛	12⅛
Horsham	10	9⅞
Hudson Bay	N.Q.	5⅜
Imasco	37⅝	37⅝
Inco	31⅛	31⅛
Interhome	47⅛	47⅛
Jannock	N.Q.	—
Labatt	20⅝	20⅝
Lablaw Co	16	16
Mackenzie	8	N.Q.
Magna Intl A	3.40	3.40
Maritime	16⅛	16½
Mark Res	11⅛	11⅝
MacLean Hunt X	9⅝	9⅝
Molson A	29⅝	29⅝
Noma Ind A	N.Q.	8⅝
Noranda	20⅛	20
Noranda Forest	12⅛	12
Norcen Energy	25⅛	24⅝
Nova Corp	9⅛	9⅛
Oshawa	31⅛	31⅛
Pagurin A	7⅛	8
Placer Dome	17⅛	17⅛
Poco Petroleum	N.Q.	6⅛
PWA Corp	18⅛	18⅛
Quebec Sturgeon	N.Q.	0.90
Rayrock	9½	N.Q.
Renaissance	14⅛	14⅛
Rogers B	8⅛	8⅛
Rothmans	64	64⅛
Royal Bank Can	24	23⅞
Royal TrustCo	15⅛	N.Q.
Sceptre Res	3.70	3.65
Scott's Hosp	15½	N.Q.
Seagram	N.Q.	102
Sears Can	11⅛	11½
Shell Can	39⅛	39⅛
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	9⅛	8⅜
Southam	N.Q.	24⅛
Spar Aerospace	8⅛	8⅛
Stelco A	16⅛	14⅛
Teck B	24½	25
Thomson News	15⅛	15⅛
Toronto Domn	N.Q.	17⅛
Torstar B	27½	27⅛
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	15⅛
Trilon Finl A	18⅛	18
Trimac	6⅛	N.Q.
Trizec A	20⅛	20⅛
Turbo Resources	0.43	0.44
Unicorp A	N.Q.	2.15
Woodward's Ltd	1⅛	1⅛

TSE 300 Index : 3606.30
Previous : 3576.00

Zurich	Close	Prev.
Adia Intl	1665	1690
Alusuisse	1360	1370
Bank Leu	2480	2440
Brown Boveri	6850	6125
Ciba Geigy	3420	3600
CS Holding	2430	N.A.
Elektrow	3300	3290
Fischer	N.A.	2280
Interdiscount	4370	4430
Jacobs Suchard	7150	7200
Jelmoli	2300	2290
Landis Gyr	1395	1390
Moevenpick	5675	5700
Nestle	8900	9025
Oerlikon-B	1085	1085
Pargesa Hld	1590	1630
Roche Holding B	4155	4215
Sandoz	2140	2160
Schindler	7000	7300
Sulzer	770	772
Surveillance	5300	5225
Swissair	1060	N.A.
SBC	325	332
Swiss Reinsur	406	478
Swiss Volksbank	1700	1700
Union Bank	3620	3660
Winterthur	4050	4160
Zurich Ins	2150	1690

SBS Index : 676.60
Previous : 682.80

U.S. FUTURES

Via Associated Press June 6

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.85	3.26	Jul	3.31½	3.36	3.30½	3.31½	—.01
3.73	3.33	Sep	3.38½	3.41	3.36½	3.37¼	—.00¾
3.88	3.47	Dec	3.52½	3.54¾	3.50¾	3.51¾	—.01
3.85	3.52½	Mar	3.58¼	3.60¾	3.57	3.57½	—.01
3.73	3.45	May	3.56½	3.57½	3.54	3.54½	—.02¼
3.43	3.30	Jul	3.48	3.48	3.46	3.48½	+.00½
Est. Sales		Prev. Sales 7,872					
Prev. Day Open Int. 60,023 up 633							
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.93¾	2.31	Jul	2.80	2.82	2.78½	2.79¾	+.01½
2.86	2.29	Sep	2.75½	2.78½	2.74	2.74½	+.00½
2.82	2.22	Dec	2.71¼	2.75	2.69¾	2.70¼	—.00½
2.88	2.41	Mar	2.79	2.80½	2.75	2.75¼	—.01¼
2.98½	2.49¾	May	2.82	2.84½	2.78½	2.79	—.00¾
2.94	2.63	Jul	2.84	2.86½	2.81	2.81¼	—.00¼
2.74	2.65	Sep				2.71¾	+.02¼
2.68	2.59	Dec	2.64½	2.68	2.64½	2.65¼	+.02¼
Est. Sales		Prev. Sales 68,384					
Prev. Day Open Int. 23,624 off 11,307							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
7.31	5.78	Jul	5.95	6.03½	5.93½	5.94	+.01½
7.05	5.78	Aug	6.01	6.08½	5.98½	5.99	+.01¼
6.76	5.68	Sep	6.06	6.10½	6.02	6.02¼	+.02¼
6.82	5.64½	Nov	6.10½	6.18½	6.08	6.09	+.01½
6.97	5.87	Jan	6.21	6.28	6.19½	6.19¾	+.01½
7.81	5.65½	Mar	6.34½	6.38½	6.30	6.30¼	+.01¼
7.86	6.14½	May	6.44	6.44	6.40	6.40	+.01½
		Aug				6.48	+.04
6.47	6.30	Nov	6.33	6.33	6.32	6.35	+.05
Est. Sales		Prev. Sales 42,763					
Prev. Day Open Int.122,800 up 982							
SOYBEAN MEAL (CBT) 100 tons-dollars per ton							
208.80	167.80	Jul	173.50	175.30	173.30	173.60	+1.20
198.00	170.10	Aug	176.80	177.10	175.10	175.20	+.80
200.00	171.50	Sep	177.80	179.00	176.80	177.80	+.90
200.00	173.00	Oct	180.00	180.50	178.50	179.00	+1.00
205.50	174.00	Dec	183.00	184.20	181.70	181.80	+.60
204.80	178.00	Jan	184.00	184.80	183.00	183.20	
212.00	181.00	Mar	187.00	187.50	186.00	187.00	+.50
208.80	186.50	May	188.00	189.00	188.00	188.00	+.30
209.00	189.50	Jul	190.00	190.80	189.50	190.00	+.50
Est. Sales		Prev. Sales 14,991					
Prev. Day Open Int. 68,525 off 319							
SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.							
25.80	19.50	Jul	23.42	23.88	23.39	23.45	+.17
24.87	19.50	Aug	23.25	23.74	23.22	23.35	+.22
24.60	19.50	Sep	22.18	23.57	23.10	23.17	+.22
24.35	19.65	Oct	22.75	23.20	22.75	22.79	+.10
24.12	19.75	Dec	22.40	22.88	22.43	22.46	+.07
23.95	19.81	Jan	22.35	22.65	22.25	22.27	+.14
23.81	19.82	Mar	22.20	22.55	22.15	22.15	+.10
23.70	20.15	May	22.10	22.30	22.00	22.00	+.20
22.70	21.85	Jul	22.05	22.20	21.85	21.85	+.10
Est. Sales		Prev. Sales 19,337					
Prev. Day Open Int.104,395 up 1,026							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.42	69.75	Jun	75.05	75.25	74.80	75.22	+.25
74.15	69.12	Aug	73.87	74.35	73.57	74.22	+.37
76.25	68.30	Oct	74.17	74.65	73.87	74.40	+.28
74.15	71.00	Dec	75.85	74.85	75.50	74.80	+.15
76.15	72.58	Feb	75.30	75.45	75.00	75.37	+.07
76.70	74.15	Apr	76.27	76.45	76.05	76.42	+.17
74.60	72.75	Jun	73.25	73.40	73.05	73.27	+.12
Est. Sales 14,404		Prev. Sales 13,277					
Prev. Day Open Int. 81,852 off 247							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
85.22	78.50	Aug	85.15	85.50	84.85	85.45	+.48
84.15	78.00	Sep	84.00	84.32	83.77	84.32	+.42
83.95	78.20	Oct	83.90	83.95	83.55	83.80	+.28
83.95	79.90	Nov	83.90	83.95	83.60	83.95	+.33
83.70	79.75	Jan	83.50	83.75	83.35	83.65	+.35
82.50	80.90	Mar	82.50	82.50	82.50	82.80	+.30
82.00	81.35	Apr				82.55	+.10
81.80	81.70	May				82.45	+.05
Est. Sales 1,478		Prev. Sales 1,293					
Prev. Day Open Int. 9,920 up 124							
HOGS (CME) 30,000 lbs.- cents per lb.							
67.45	44.25	Jun	66.40	66.50	65.80	66.05	—.72
65.37	44.95	Jul	64.00	64.20	63.25	63.70	—.72
63.42	43.70	Aug	61.45	61.80	60.60	61.02	—.98
55.70	40.80	Oct	54.45	54.45	53.95	53.80	—.77
55.45	44.25	Dec	53.70	53.70	52.80	53.37	—.38
52.95	45.25	Feb	51.40	51.40	50.55	51.20	—.20
48.80	45.15	Apr	48.00	48.00	47.60	47.90	—.37
51.85	50.40	Jun	50.90	50.90	50.80	50.95	+.05
Est. Sales 12,357		Prev. Sales 15,792					
Prev. Day Open Int. 49,915 up 905							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
71.60	39.95	Jul	66.70	66.70	65.30	66.05	—1.25
69.15	39.30	Aug	64.90	64.90	63.25	64.00	—1.25
63.40	48.07	Feb	62.15	62.40	60.95	62.20	+.25
61.80	50.30	Mar	62.10	62.10	60.90	61.27	—.40
61.50	57.80	May	62.00	62.00	61.40	61.97	+.37
Est. Sales 8,241		Prev. Sales 7,012					
Prev. Day Open Int. 13,888 off 183							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
132.25	74.85	Jul	95.10	95.20	93.50	93.95	—.70
128.00	77.25	Sep	97.00	97.15	95.60	96.10	—.40
109.50	81.00	Dec	99.50	99.60	98.50	99.00	
116.75	83.00	Mar	101.80	101.40	101.00	101.40	
123.00	91.25	May	103.00	103.00	102.80	103.00	—.25
110.00	92.75	Jul				104.75	+.35
108.90	102.50	Sep				106.25	—.30
Est. Sales 4,741		Prev. Sales 6,292					
Prev. Day Open Int. 41,587 off 282							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.27	10.55	Jul	13.53	13.60	13.41	13.58	+.14
16.13	10.40	Oct	13.42	13.47	13.26	13.46	+.16
15.22	12.10	Mar	12.87	12.93	12.77	12.93	+.16
15.05	12.50	May	12.80	12.87	12.74	12.85	+.15
14.90	12.41	Jul	12.69	12.73	12.65	12.69	+.12
14.40	.72	Oct	12.50	12.50	12.50	12.55	+.16
Est. Sales 19,671		Prev. Sales 22,070					
Prev. Day Open Int.169,013 off 815							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1525	921	Jul	1330	1345	1306	1313	—38
1541	941	Sep	1340	1366	1334	1342	—38
1558	965	Dec	1381	1389	1357	1363	—33
1581	985	Mar	1398	1405	1375	1380	—34
1572	1000	May	1428	1425	1395	1403	—34
1590	1050	Jul	1410	1417	1410	1418	—40
1515	1395	Sep	1434	1434	1430	1430	—42
Est. Sales 7,522		Prev. Sales 12,677					
Prev. Day Open Int. 53,266 up 1,072							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
205.50	123.00	Jul	194.10	194.20	193.10	193.25	—1.45
202.00	123.50	Sep	190.10	190.50	189.25	189.25	—1.25
199.50	124.00	Nov	184.05	185.00	184.05	184.50	—.60
197.00	125.00	Jan	182.00	182.55	182.00	181.65	—.60
198.50	178.50	Mar	181.50	182.00	181.50	181.65	—.60
190.00	177.75	May	180.25	180.25	180.25	180.25	—.85
180.00	180.00	Jul				180.25	—.85
Est. Sales		Prev. Sales 985					
Prev. Day Open Int. 9,899 off 138							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.- cents per lb.							
123.00	95.20	Jun	116.25	116.40	115.70	115.90	—1.20
119.25	92.25	Jul	112.40	112.90	111.50	112.10	—1.10
113.20	95.00	Aug	110.30	110.30	110.10	110.00	—.50
112.30	92.50	Sep	107.90	108.30	107.20	107.50	—1.00
109.50	94.50	Oct	107.30	107.30	107.00	106.10	—.90
107.70	94.50	Nov				104.70	—.80
110.00	91.50	Dec	104.00	104.00	103.00	103.30	—.80
105.00	94.00	Jan				102.20	—.65
103.00	99.50	Feb				101.00	—.55
106.00	92.30	Mar	100.20	100.20	99.50	99.80	—.50
101.00	101.00	Apr				99.15	—.45
103.40	97.00	May	98.80	98.80	98.80	98.40	—.45
97.00	96.75	Jul	97.00	98.00	97.00	97.25	—.45
		Sep				96.45	—.55
		Dec				95.25	—.55
		Jan				94.25	—.55
96.50	96.50	Mar				93.45	—.55
Est.Sales		Prev.Sales 8,413	Prev.Day Open Int. 31,603				Chg. +118
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
		Jun	75.00	75.00	75.00	75.00	
95.50	66.00	Jul	75.00	75.00	75.00	75.00	
		Aug	75.00	75.00	75.00	75.00	
76.00	74.50	Sep	75.00	75.00	75.00	75.00	
		Dec	75.00	75.00	75.00	75.00	
		Jan	75.00	75.00	75.00	75.00	
		Mar	75.00	75.00	75.00	75.00	
		May	75.00	75.00	75.00	75.00	
		Jul	75.00	75.00	75.00	75.00	
		Sep				75.00	
		Dec	75.00	75.00	75.00	75.00	
		Jan	75.00	75.00	75.00	75.00	
		Mar	75.00	75.00	75.00	75.00	
Est. Sales		Prev. Sales					
Prev. Day Open Int. 6							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
524.0	496.0	Jun	506.0	506.0	506.0	503.0	—3.5
761.5	497.0	Jul	511.0	512.5	505.2	506.3	—3.3
511.0	511.0	Aug				510.3	—3.3
760.0	505.0	Sep	518.5	521.0	513.6	514.5	—3.3
742.0	517.0	Dec	531.5	532.0	525.1	525.6	—3.3
680.0	529.0	Jan				529.3	—3.3
665.0	538.0	Mar	542.0	543.0	536.0	536.6	—3.4
647.0	539.0	May	549.5	549.5	542.0	544.2	—3.4
667.5	548.0	Jul	554.0	554.0	551.0	551.8	—3.5
654.0	557.0	Sep				560.0	—3.5
623.5	569.5	Dec				571.9	—3.5
596.0	586.0	Jan				575.7	—3.5
613.0	588.0	Mar				584.6	—3.5
Est. Sales 17,000		Prev. Sales 12,597					
Prev. Day Open Int. 98,872 up 187							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
491.50	485.50	Jun				488.90	—2.90
556.00	465.00	Jul	492.50	494.80	487.40	489.40	—2.90
548.50	473.00	Oct	499.00	500.50	493.50	495.00	—3.10
551.00	484.50	Jan	505.00	505.00	501.00	500.70	—3.10
535.00	492.00	Apr				506.10	—3.20
528.50	504.00	Jul				511.50	—3.20
Est. Sales		Prev. Sales 3,299					
Prev. Day Open Int. 13,929 off 1,551							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
175.00	115.05	Jun	118.00	118.00	118.00	117.05	+.30
149.50	116.50	Sep	119.50	120.00	118.75	119.45	+.30
147.00	118.25	Dec	120.75	120.75	120.50	120.95	+.30
142.00	121.50	Mar	122.25	122.25	122.25	122.45	+.30
125.25	125.00	Jun				124.20	+.30
Est. Sales		Prev. Sales 514					
Prev. Day Open Int. 5,372 up 81							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
497.00	355.50	Jun	360.70	361.20	356.70	357.40	—2.40
379.50	365.00	Jul				358.70	—2.50
487.00	359.60	Aug	364.50	365.20	360.00	361.00	—2.40
472.00	363.00	Oct	369.30	369.30	364.50	365.60	—2.50
455.50	368.60	Dec	373.50	374.40	369.00	370.30	—2.50
457.50	374.00	Feb	377.80	378.50	374.60	374.80	—2.50
460.00	378.20	Apr	383.20	383.20	378.50	379.30	—2.40
464.20	383.00	Jun	388.50	388.50	388.50	383.90	—2.40
468.00	389.30	Aug				388.50	—2.50
476.00	410.50	Oct				393.30	—2.60
483.00	398.50	Dec	401.00	401.00	397.60	398.20	—2.60
433.00	421.40	Feb				403.20	—2.70
412.50	412.50	Apr				408.20	—2.80
Est. Sales 38,000		Prev. Sales 26,265					
Prev. Day Open Int.107,483 up 987							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.65	91.70	Jun	92.28	92.30	92.25	92.29	
93.65	91.28	Sep	92.54	92.57	92.53	92.56	—.03
93.32	91.61	Dec	92.53	92.59	92.54	92.56	—.05
93.20	91.66	Mar				92.63	
92.70	91.52	Jun				92.43	
92.36	91.60	Sep				92.40	
Est. Sales		Prev. Sales 7,882					
Prev. Day Open Int. 22,469 up 424							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101-4	92-26	Jun	96-19	96-25	96-18	96-24	+1
100-14	92-24	Sep	96-21	96-26	96-16	96-22	+1
96-31	94-2	Dec	96-19	96-19	96-18	96-19	+1
96-23	94-28	Mar				96-16	+1
Est. Sales		Prev. Sales 21,143					
Prev. Day Open Int. 86,683 off 655							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-15	75	Jun	94-1	94-8	93-31	94-6	+5
100-4	79-1	Sep	93-23	94-1	93-22	93-31	+6
99-24	80	Dec	93-18	93-22	93-14	93-22	+6
99-12	79-21	Mar	93-7	93-13	93-5	93-13	+6
99-4	82-18	Jun	93-7	93-7	93-7	93-7	+5
99-5	86-4	Sep	93	93	92-30	93	+5
98-20	87-19	Dec	92-25	92-26	92-20	92-20	
98-13	87-18	Mar	92-17	92-20	92-17	92-17	+3
97-19	87-19	Jun				92-14	+6
92-12	87-14	Sep				92-8	+6
Est. Sales		Prev. Sales 333,761					
Prev. Day Open Int.295,345 up 6,836							
MUNICIPAL BONDS (CBT) $1000x index- pts & 32nds of 100 pct							
95-13	87-2	Jun	91-18	91-19	91-13	91-18	+3
95-11	86-21	Sep	90-26	91-1	90-25	90-30	+4
91-2	86-30	Dec	90-21	90-21	90-15	90-19	+3
Est. Sales		Prev. Sales 3,598					
Prev. Day Open Int. 9,082 off 281							
EURODOLLARS (IMM) $1 million- pts of 100 pct.							
92.45	88.82	Jun	91.44	91.46	91.43	91.46	
92.39	88.74	Sep	91.69	91.73	91.67	91.73	—.02
92.35	89.85	Dec	91.60	91.63	91.59	91.63	—.03
92.01	89.96	Mar	91.53	91.57	91.53	91.56	—.03
91.85	89.91	Jun	91.39	91.40	91.37	91.40	—.02
91.83	90.04	Sep	91.29	91.31	91.27	91.31	—.02
91.78	90.04	Dec	91.16	91.16	91.15	91.17	—.02
91.82	90.07	Mar	91.10	91.13	91.10	91.12	—.02
91.76	90.35	Jun	91.03	91.03	91.00	91.02	—.03
91.72	90.32	Sep	90.95	90.96	90.93	90.94	—.03
91.53	90.24	Dec	90.83	90.84	90.81	90.82	—.04
91.65	90.28	Mar	90.81	90.81	90.79	90.80	—.04
91.51	90.27	Jun	90.75	90.75	90.74	90.74	—.04
91.47	90.27	Sep	90.71	90.71	90.70	90.70	—.04
91.32	90.27	Dec	90.64	90.64	90.64	90.68	
90.77	90.24	Mar	90.67	90.67	90.66	90.66	—.04
Est. Sales		Prev. Sales 113,860					
Prev. Day Open Int.711,345 off 346							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.6996	1.4400	Jun	1.6830	1.6870	1.6818	1.6848	+26
1.7780	1.5290	Sep	1.6570	1.6604	1.6550	1.6580	+28
1.6480	1.5640	Dec	1.6336	1.6340	1.6300	1.6328	+26
Est. Sales		Prev. Sales 18,654					
Prev. Day Open Int. 23,610 off 2,824							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8570	.8080	Jun	.8510	.8535	.8504	.8529	+40
.8470	.8093	Sep	.8404	.8430	.8404	.8422	+38
.8450	.8050	Dec	.8318	.8340	.8313	.8330	+32
.8365	.7990	Mar	.8240	.8248	.8240	.8252	+34
.8297	.7995	Jun	.8165	.8170	.8165	.8182	+36
.8126	.7985	Sep	.8100	.8100	.8100	.8122	+37
Est. Sales		Prev. Sales 3,881					
Prev. Day Open Int. 22,532 off 170							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6153	.5857	Jun	.5930	.5936	.5913	.5922	—11
.6155	.5525	Sep	.5929	.5937	.5913	.5922	—11
.6150	.5769	Dec	.5921	.5932	.5915	.5918	—11
.6140	.5820	Mar				.5914	—11
Est. Sales		Prev. Sales 43,426					
Prev. Day Open Int. 74,549 off 639							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007530	.006254	Jun	.006552	.006565	.006532	.006557	—2
.007390	.006268	Sep	.006549	.006582	.006548	.006574	—1
.007080	.006290	Dec	.006586	.006586	.006586	.006591	—1
.006705	.006315	Mar	.006608	.006608	.006608	.006610	—1
Est. Sales		Prev. Sales 17,758					
Prev. Day Open Int. 75,812 up 758							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7205	.5850	Jun	.7000	.7013	.6959	.6967	—29
.7202	.6050	Sep	.6991	.7002	.6958	.6957	—30
.7197	.5600	Dec	.6990	.6990	.6955	.6957	—26
.7165	.6500	Mar				.6967	—26
.6970	.6970	Sep				.7017	
Est. Sales		Prev. Sales 25,456					
Prev. Day Open Int. 44,784 off 333							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.80	177.50	Jul	204.30	204.80	203.40	204.80	—.40
205.90	192.00	Sep	203.40	203.70	202.90	203.40	—.30
201.40	189.90	Nov	199.50	199.60	199.30	199.60	+.10
203.10	186.30	Jan	201.30	201.50	201.20	201.50	
204.40	191.00	Mar	202.20	202.20	202.20	202.40	—.30
204.40	196.50	May	202.50	202.50	202.00	202.00	—.60
Est. Sales 481		Prev. Sales 871					
Prev. Day Open Int. 4,354 up 118							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
82.15	63.70	Jul	81.30	82.56	80.86	81.10	—.24
74.68	63.95	Oct	74.72	76.05	74.72	75.05	+.47
69.60	62.80	Dec	69.75	70.78	69.72	70.08	+.42
70.40	63.82	Mar	70.65	71.40	70.40	70.72	+.39
70.80	64.40	May	70.75	71.25	70.70	70.99	+.34
77.40	65.67	Jul	70.70	71.28	70.70	71.04	+.35
		Oct				65.50	+.75
Est. Sales 10,000		Prev. Sales 5,411					
Prev. Day Open Int. 39,475 off 280							
HEATING OIL (NYME) 42,000 gal- cents per gal							
57.20	46.30	Jul	46.50	48.15	46.40	47.25	+.14
57.40	47.20	Aug	47.35	48.75	47.30	48.00	+.39
58.00	48.00	Sep	49.10	50.35	49.10	50.00	+.39
58.50	50.45	Oct	50.50	51.80	50.50	51.35	+.34
59.40	51.80	Nov	52.15	52.80	52.15	52.50	+.36
60.15	52.85	Dec	53.00	53.90	53.00	53.50	+.16
60.40	53.80	Jan	53.85	54.60	53.75	54.45	+.41
60.90	53.70	Feb	53.70	54.35	53.60	54.20	+.41
54.75	52.00	Mar	52.30	52.95	52.30	52.55	+.45
53.90	51.80	Apr	51.00	51.40	50.90	51.15	+.56
53.15	49.50	May	49.80	49.80	49.78	49.70	+.21
51.80	48.80	Jun	49.00	49.65	49.00	49.40	+.46
Est. Sales		Prev. Sales 31,679					
Prev. Day Open Int.106,835 up 2,943							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
21.80	14.42	Jul	16.38	17.02	16.33	16.91	+.23
21.83	14.79	Aug	17.09	17.69	17.09	17.65	+.16
21.52	16.50	Sep	17.58	18.07	17.58	17.95	+.09
21.46	16.50	Oct	18.13	18.50	18.13	18.41	+.10
21.48	17.30	Nov	18.50	18.89	18.50	18.70	—.03
21.50	17.80	Dec	18.90	19.15	18.87	18.95	—.04
21.45	17.87	Jan	19.05	19.23	19.00	19.05	—.06
21.35	18.15	Feb	19.00	19.30	19.00	19.30	+.10
21.23	18.40	Mar	19.40	19.45	19.25	19.27	—.02
21.55	18.83	Apr	19.49	19.55	19.31	19.47	+.09
21.45	18.03	May	19.57	19.65	19.45	19.54	+.08
21.45	16.65	Jun	19.68	19.75	19.52	19.65	+.11
21.45	17.08	Jul	19.75	19.85	19.73	19.85	+.14
21.45	18.70	Aug	19.83	19.95	19.81	19.95	+.28
20.95	19.46	Sep	19.91	20.05	19.89	19.99	+.27
20.42	19.66	Oct	19.59	20.15	19.99	20.15	+.28
20.22	19.70	Nov	20.10	20.18	20.18	20.10	+.28
19.99	19.95	Dec	20.15	20.15	20.15	20.15	+.28
Est. Sales		Prev. Sales 121,735					
Prev. Day Open Int.286,735 up 2,442							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
373.20	324.70	Jun	367.30	367.70	365.30	365.95	—1.80
374.90	329.00	Sep	372.50	372.75	370.40	371.00	—1.85
378.90	333.50	Dec	376.60	376.60	375.10	375.70	—1.80
383.20	343.30	Mar	380.00	380.00	380.00	380.00	—2.20
Est. Sales 54,696		Prev. Sales 58,946					
Prev. Day Open Int.128,532 up 46							
VALUE LINE (KCBT) points and cents							
317.30	266.40	Jun	291.80	291.80	290.60	291.00	—1.30
297.90	272.80	Sep	295.40	296.00	294.80	294.95	—1.45
302.10	279.30	Dec				299.15	—1.45
Est. Sales		Prev. Sales 116					
Prev. Day Open Int. 1,624 up 4							
NYSE COMP. INDEX (NYFE) points and cents							
205.45	179.80	Jun	200.00	200.45	199.10	199.45	—.35
209.00	181.00	Sep	202.65	202.90	201.45	202.00	—.90
206.50	185.75	Dec	204.50	204.50	204.50	204.45	—.85
205.50	193.15	Mar				206.90	—.80
Est. Sales		Prev. Sales 4,912					
Prev. Day Open Int. 6,037 up 139							

Commodity Indexes

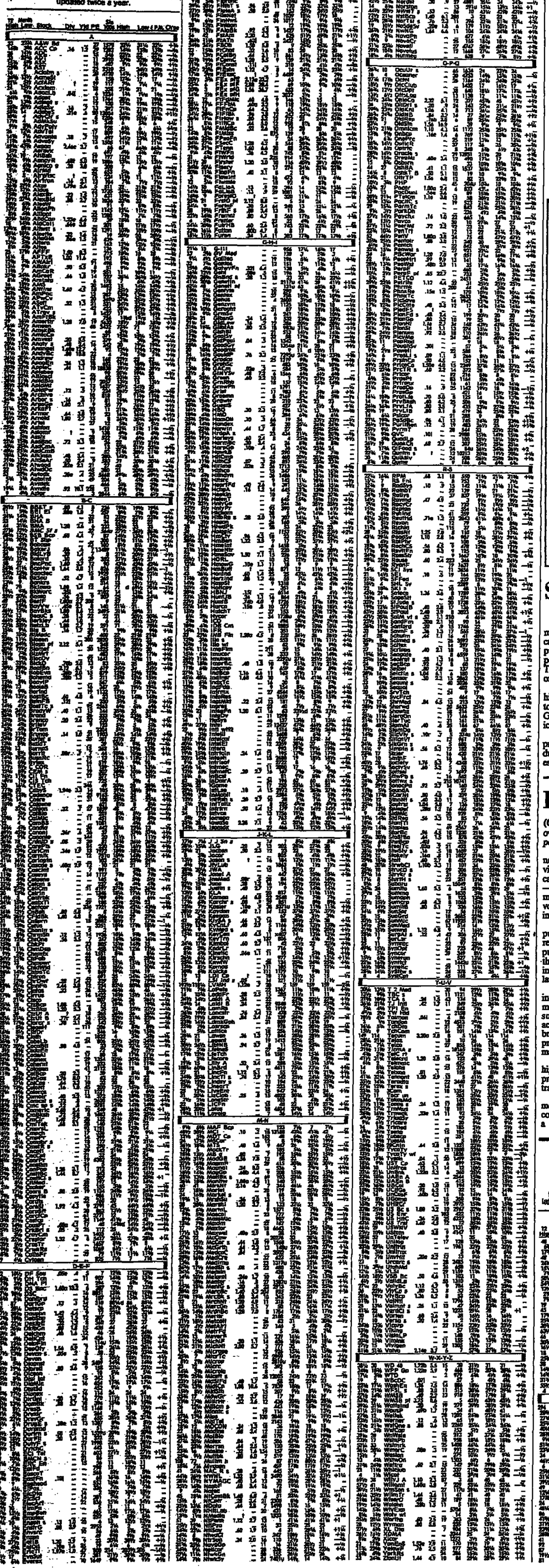
	Close	Previous
Moody's	1177.4 f	1,172.20 f
Reuters	1,889.40	1,891.60
D.J. Futures	132.41	132.71
Com. Research	240.24	240.81

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



Vuitton Backers Ousted From Board of LVMH

Reuters

PARIS — The last representatives of the Vuitton family were voted off the board of the French luxury products maker LVMH-Moët Hennessy Louis Vuitton on Wednesday in the latest round of a long-running feud bout between rival clans.

Assembled shareholders voted by a 70 percent majority to exclude from the board André Battestini and Jean-Paul Parayre, two allies of Henry Racamier, the former head of the Vuitton luggage subsidiary.

It was a triumph for Bernard Arnault, the LVMH chairman, who on April 26 won a crucial court battle against Mr. Racamier. The 77-year-old Mr. Racamier and his allies immediately resigned from the luggage unit, and Wednesday's stormy meeting marked their final stand.

At the meeting, Mr. Arnault also said he expected LVMH group net profit to rise more than 15 percent in 1990, after last year's 46 percent gain to 2.93 billion French francs ($512 million). He said exchange-rate fluctuations and supply problems could affect profit growth, as would serious supply problems, notably with champagne.

A spokesman for the Moët-Hennessy families, responsible for LVMH's beverages sector, argued for the ouster of the Vuitton representatives. He said Orcofi — a rival luxury company set up by the Vuitton family — would have access to privileged information if they stayed on LVMH's board.

Orcofi launched its drive on the luxury market in February when it bought the Lanvin fashion house.

Mr. Racamier told shareholders the decision to oust Mr. Battestini and Mr. Parayre had been planned by Mr. Arnault and Moët Hennessy representatives, and was unfair.

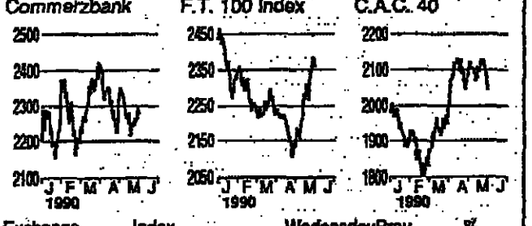
But Mr. Arnault later told reporters he had asked Mr. Battestini and other Vuitton representatives to hammer out a friendly solution and his suggestion had been rejected.

Mr. Racamier's allies on the board were replaced by the Moët Hennessy backers Gerald de Joffre de Chabrignac and Gilles Hennessy.

LVMH was formed by the 1987 merger of the Moët Hennessy beverages and perfumes company and the Louis Vuitton luggage concern. But the families behind the concerns began feuding soon after.

Mr. Racaimier invited Mr. Arnault to become his ally and buy shares, but Mr. Arnault shifted sides in the affair and eventually became the largest shareholder.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	120.60	121.10	-0.41
Brussels	Stock Index	6342.54	6344.27	-0.03
Frankfurt	Commerzbank	2275.70	2300.10	-1.06
Frankfurt	DAX	1849.02	1876.69	-1.47
Helsinki	UNITAS	578.70	575.70	+0.52
London	Financial Times 30	1881.00	1893.90	-0.68
London	FT-SE 100	2358.50	2380.10	-0.91
Madrid	General Index	286.46	288.06	-0.56
Milan	MIB	1091.40	1093.00	-0.15
Paris	CAC 40	2045.43	2069.43	-1.16
Stockholm	Affaersvaerlden	1273.50	1290.20	-1.29
Zurich	SBS	674.40	682.00	-1.11

Source: AFP International Herald Tribune

Roche in Talks On Sale of Its Swiss Crop Unit

Reuters

BASLE — Roche Holding Ltd. said Wednesday that it had started talks on the possible sale of its Maag crop-protection division.

It did not identify its partners in talks on the sale of the division, based in Basle, and company executives could not immediately be reached for comment.

Maag, whose activities are concentrated mainly in Switzerland and France, is not large enough to ensure its successful growth over the long term, Roche said.

Analysts speculated Roche could be thinking of selling the division to either Sandoz AG of Switzerland or the West German company Schering AG, which announced two weeks ago that they were abandoning a planned merger of their crop-protection operations. Analysts also saw the American company Monsanto Co. as a possible buyer.

Motorola to Sell Hungary Bloc's First Mobile Phones

Reuters

LONDON — Motorola Inc. said it has signed a £3 million ($5.1 million) contract to provide cellular telephones to Hungary, making it the first manufacturer to supply mobile phones to Eastern Europe.

The U.S. company said its British subsidiary will deliver the phones over the next two years to a joint venture between U S West Inc. and a Hungarian concern. The venture is installing a cellular network in Hungary.

Motorola said the first consignment would be delivered in time for the launch of the new service this fall. The phones are to be made at its plant in Flensburg, West Germany.

Hungary has waiting lists for telephones stretching out 15 years, and all its phone operations use outdated analog technology.

Executives said Motorola would try to expand into other East European countries as well. Analysts believe cellular phone networks, which work on radio waves, offer the East European nations the best chance for upgrading communications quickly and relatively cheaply.

Sweden Pays the Costs of Protectionism

Reuters

GENEVA — Swedes pay too much for food and clothing because their government keeps farm prices high and restricts textile imports, the General Agreement on Tariffs and Trade secretariat said on Wednesday.

"Sweden has one of the most highly protected agricultural sectors among industrial countries," a GATT review of Swedish trade policies said.

Government marketing and pricing arrangements and import duties cost Swedish households an estimated extra 18 billion kronor ($2.9 billion) in 1989 for farm products like cereals, dairy products, meat and sugar, the report said.

Recent estimates showed the average household would be about 8,500 kronor better off every year if these arrangements were terminated, it added.

The GATT report said quota restrictions on textiles, clothing and footwear imports from 26 countries also hurt Swedish consumers by raising prices and restricting the range and quality of available goods.

"As with agricultural protection, the cost to consumers falls disproportionately on the lower income groups," it said.

It said Sweden had recently announced plans to open up to foreign competition through a reform of farm policies next July and by ending quotas on clothing imports by August, 1991, and curbs on footwear by 1993.

At a GATT Council meeting that considered the report, delegations said that tariffs on textiles, clothing and footwear would remain well above rates for most other imports even after Stockholm began lifting quota curbs.

Insurance Companies In Norway to Merge

Reuters

OSLO — Norway's two biggest insurance companies, Storebrand A/S and UNI Forsikring, said Wednesday that they planned to merge in January. Storebrand would hold 60 percent of the new company and UNI 40 percent.

The new holding company would be named UNI Storebrand A/S and be publicly listed from January 1991. While Storebrand is currently listed on the stock exchange, UNI is a private foundation in the process of seeking a listing.

ICN: *AIDS Drug Dispute Still Mars Prospects of Pharmaceuticals Concern*

(Continued from first finance page)

overly concerned with Wall Street's perceptions of the company.

In January 1987, ICN called a news conference to announce ribavirin had proved effective in clinical tests against the onset of AIDS — a claim the Food and Drug Administration and some doctors involved in the studies considered inconclusive.

Mr. Panic contends the FDA approved the announcement and the results would have leaked to the public anyway. The agency denies that claim, and several government inquiries into the affair have been launched.

Although ICN denies wrongdoing, it says it is negotiating a settlement with the SEC over some issues. The company was also accused in class-action lawsuits brought by shareholders of improperly promoting ribavirin to manipulate its stock price.

ICN's stock price shot up to a high of about $33 in 1986 on the promise of the drug, but is now trading at about $2.75 a share.

Mr. Panic blames the government for coping poorly with the company's style. "Either you have a drug or you don't; the rest is superfluous," said Mr. Panic, a proponent of the free-enterprise system who bristles at what he views as plodding bureaucracy in the United States.

He maintained ribavirin should have been approved by the FDA, contending it was effective in the company's six-month clinical trials, financed by Eastman Kodak Co., in halting the progression of swollen lymph nodes. That swelling is an early form of infection caused by the AIDS virus.

But the FDA disagrees. "We differed in our interpretation of the results of the study," said Dr. James M. Bilstad, an FDA official.

After ICN's announcement of its test results in 1987, the agency examined the company's clinical results and turned down its two requests to make ribavirin available to patients in life-threatening situations, saying additional studies were warranted.

The agency questioned the methods used in the test. Dr. Frank E. Young, then FDA commissioner, publicly challenged the tests at an AIDS conference in Washington because the group receiving a placebo in the study might have contained more patients considered seriously ill than were in the group that received ribavirin, skewing the results in ribavirin's favor.

Some doctors involved in the tests also remain skeptical.

Wall Street has taken a dim view of the progression of events.

"If this company was so good, somebody would have bought it by now," said Craig Dickson, a Wall Street analyst who no longer follows ICN.

Some viewed the company's announcements about ribavirin's merits as one more indication that Mr. Panic is, as Mr. Melnitchenko put it, "somewhat undisciplined and spontaneous."

ICN is trying to put the incident behind it.

Mr. Panic's goal is to increase ICN's annual sales to $1 billion by 1995, up from a projected $300 million this year, by finding new uses for ribavirin and building the company's existing businesses through acquisitions.

ICN is a holding company for three publicly traded operating subsidiaries: Viratek Inc., the holder of the ribavirin patent; ICN Biomedicals, a maker of research chemicals and diagnostic kits; and SPI Pharmaceuticals Inc., which markets drugs and vitamins, and had sales last year of $124 million.

While the company is continuing to test ribavirin for AIDS in Europe and Mexico, it has refocused its attention on the drug's uses against other illnesses including hepatitis, influenza and hemorrhagic fever.

Analysts said approval for treating these diseases would significantly expand ICN's revenue from ribavirin, which is expected to total about $40 million worldwide this year, up 40 percent over last year.

The drug, sold by ICN under the trade name Virazole, is now approved in the United States for treating infants with severe respiratory viruses and is marketed abroad to combat a variety of viral infections, from herpes simplex to measles.

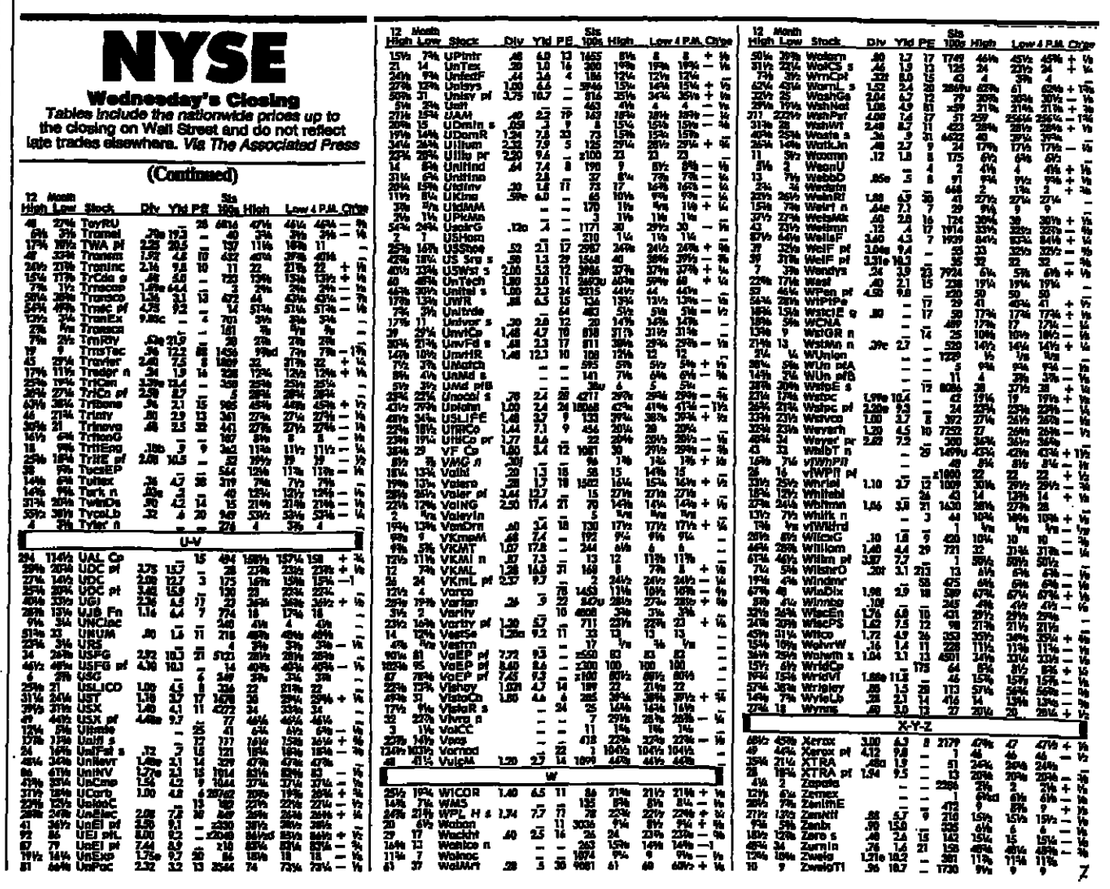
Mr. Panic has continued a financial restructuring undertaken when ribavirin first encountered regulatory roadblocks. The company has bought back more than half of the $428 million in public debt it issued during the mid-1980s for acquisitions and has repurchased more than a third of its common shares.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)



AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

— ADVERTISEMENT —

INTERNATIONAL FUNDS

June 6, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly.

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; LIt - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; ● - Offer Price incl. 3% prelim. charge; ++ - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

Busy Tokyo OTC Firms Curtail Trading Hours

Reuters

TOKYO — A frenzy of buying in over-the-counter stocks caused the Japan Securities Dealers Association to cut short its trading session Wednesday afternoon, an association spokesman said.

The association said it plans to cut trading sessions short indefinitely due to the difficulty in managing the heavy volume. "The turnover of shares is too great for the back office to handle at this rate, so the association is cutting back on the trading hours for a while," said Atsuo Fueki of the dealers association's OTC section.

A record 7.9 million shares traded Wednesday morning. "People used to buy in lots of 10,000 to 20,000 shares," said a broker at a foreign house. "Today they were buying at 100,000 shares a shot."

Over-the-counter trading normally takes place from 9 A.M. to 11 A.M. and from 1 A.M. to 3 P.M. The dealers plan to conduct sessions from 9 to 10:30 in the morning and 1:30 to 3 in the afternoon.

Weakness this year on the Tokyo Stock Exchange has turned many disillusioned brokers toward smaller stocks in their search for bargains. Prices have soared.

"The OTC market is where the most action is," said Bob Howe, a fund manager at Rowe Price-Fleming Inc. "There's a lot of money pouring in, and I think interest will be sustained."

In trading Wednesday on the Tokyo Stock Exchange, the Nikkei average of 225 issues rose 31.88 points, or 0.1 percent, to 32,953.50. Volume on the first section of the exchange was a moderate 600 million shares.

GT INVESTMENT FUND

Société d'Investissement à Capital Variable
Registered Office: 2, Boulevard Royal, L2953 Luxembourg.
R.C. Luxembourg No. B 7443.

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of GT INVESTMENT FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L-2953 Luxembourg, on Friday, June 15, 1990 at 10:00 a.m. with the following agenda:

1. To hear and accept the Reports of:
   a) The Directors,
   b) The Auditor.
2. To approve the Report of the Directors for the year ended 31st December, 1989 including the Statement of Net Assets as at 31st December, 1989 and Statement of Operations for the year ended 31st December, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties from 1st January, 1989 to 31st December, 1989.
4. To elect as Directors to serve until the next Annual General Meeting of Shareholders: D.H. FitzWilliam-Lay, G. Arendt, P. Aymard, J.A. Dick, A. Elvinger, R. Hallberg, G. de Mailly Nesle, R. Reimpell, J. Vroegop, K. Izumida, H. Nakajima, A. Kohara.
5. To elect as Auditor to serve until the next Annual General Meeting of Shareholders: Coopers & Lybrand S.C.
6. To declare a dividend in respect of the year ended 31st December, 1989.
7. Any other business.
8. Adjournment.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. In order to take part at the meeting of 15 June, 1990, the owners of bearer shares will have to deposit their shares five clear days before the meeting with one of the following banks who are authorized to receive the shares on deposit:

— Banque Internationale à Luxembourg, 2, Boulevard Royal, L-2953 Luxembourg;
— Crédit Industriel et Commercial, 66, Rue de la Victoire, F-75009 Paris.

THE BOARD OF DIRECTORS

Taipei Targets Japan Trade

Government Asks Firms to Buy Components Elsewhere

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan is augmenting efforts to roll back its persistent trade deficit with Japan, an official said Wednesday, as the government announced a widening of the gap.

For the first five months of the year, Taiwan ran a $3 billion deficit with Japan, 18 precent more than in the corresponding period of 1989.

"Our trade deficit with Japan is a long-time headache, and we are anxious to reduce it," said Augustine Wu, deputy director of Taiwan's Board of Foreign Trade in Taipei.

Overall, Taiwan posted a trade surplus for the January to May period. Total exports in the period were $26.59 billion, down 1 percent, while imports grew 5.5 percent, to $22.75 billion, the government's directorate general said.

Mr. Wu said the government would encourage local businessmen to switch their purchases of major components from Japan to other supplying countries or develop them at home.

But he denied reports in the Taiwan and Japanese press that import controls were planned, adding that no cases of dumping by Japanese firms in the Taiwan market had been found.

The Japanese financial daily Nihon Keizai Shimbun on Tuesday said Taiwan planned to insist that bids by Japanese companies for public-works contracts include a portion of Taiwan-made products.

It said this was the first time the government has proposed such measures, marking a change from its past strategy: that the deficit be cut by increasing Taiwan exports to Japan.

An official of Japan's Ministry of International Trade and Industry said the Taiwan government knew trade retaliation was "not suitable for friendship between the two countries."

The official said the trade surplus with Taiwan was chronic because of imported Japanese industrial parts and components for assembly and export, so that when Taiwan's overall exports rose, so did imports from Japan.

"This is structural," he said. "It is very difficult to reduce the surplus. The Taiwan government complains about this but knows the reason why the gap cannot be narrowed."

The statistics released Wednesday showed that in the first five months of 1990, Japan took a 13 percent share of Taiwan's overall exports. It was topped only by the United States, which took a 33.1 percent share.

Japan sold products worth $6.47 billion to Taiwan in the period, which accounted for 28.4 percent of total imports.

T. Lin, director of the economic division of the Association of East Asian Relations in Tokyo, Taiwan's unofficial embassy, said 98 percent of Taiwanese companies are small or medium-sized, making them ill-equipped to expand in Japan's complex market.

Mr. Lin said Taiwanese companies find the United States a much easier market for exports. "Most Taiwan goods are sold here through Japanese firms in order to meet the strict demands of Japanese customers," he said. "It is hard for Taiwan companies to set up after-sales service, with long-term visas difficult to obtain."

The government statistics also showed that Taiwan's overall exports in May fell a sharp 10.2 percent, to $5.64 billion, the worst monthly drop in 20 months.

Imports in the month dropped 7.2 percent, to $4.38 billion, leaving a trade surplus of $1.26 billion, a 19.3 percent slide, according to the Directorate General of Budget, Accounting and Statistics.

Taiwan's trade surplus in the first five months of 1990 slipped 27.5 percent over the same period last year, to $3.84 billion, the agency said.

The large May drop in exports was mainly because Taiwan products were less competitive overseas as the island's economy went through a "transitional stage," said Lee Kao-chao, director of the Overall Planning Department of the government's Council for Economic Planning and Development. He said Taiwan was moving from labor-intensive to higher-value-added and capital-intensive industries.

Rising production costs, a labor shortage and greater public demand for environmental protection have also slowed industrial output, Mr. Lee added.

(AFP, Reuters)

Computer Retailer Enters Japan

Compiled by Our Staff From Dispatches

NEW YORK — Businessland Inc. said Wednesday that it had formed a joint venture to sell, service and support microcomputer and workstation products in Japan.

The venture, called Businessland Japan Co., has been formed with SOFTBANK Corp. as well as the Japanese computer makers Canon Inc., Fujitsu Ltd., Sony Corp. and Toshiba Corp.

Businessland said it has a 54 percent stake, SOFTBANK 26 percent and each of the others 5 percent.

Total capitalization of the venture is about $20 million.

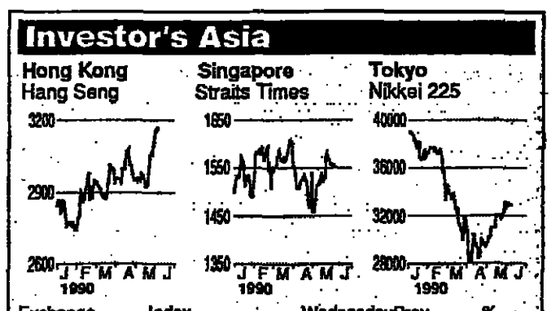
With the new venture, Businessland — the largest nonfranchise chain of computer stores in the United States — is moving into a computer market that is not as mature in sales terms as the United States or Europe.

Businessland said the initial product line of Businessland Japan would include products from International Business Machines Corp., NCR Corp., NEC Corp., Canon, Fujitsu, Sony and Toshiba. It said more products would be added over the next few months.

Businessland's Japanese venture will have $20 million capital, an office in Tokyo, and 14 employees.

David Norman, Businessland's chief executive, was quoted as saying the venture was "an example of Japanese companies helping American companies compete in their marketplace." *(Reuters, AFP)*

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3172.00	3159.06	+0.41
Singapore	Straits Times	1550.93	1550.71	+0.01
Sydney	All Ordinaries	1526.90	1528.80	-0.12
Tokyo	Nikkei 225	32953.50	32921.62	+0.10
Kuala Lumpur	Composite	Closed	586.50	-
Bangkok	Book Club	882.71	889.82	-0.80
Seoul	Composite Stock	Closed	807.97	-
Taipei	Weighted Price	7075.50	7339.71	-3.60
Manila	Composite	740.31	773.50	-4.29
New Zealand	Barclays	1790.13	1814.62	-1.35
Bombay	National Index	426.93	427.93	-0.23

Sources: Reuters, AFP International Herald Tribune

RATES: *Bankers Await Outcome of German Union*

(Continued from first finance page)

which means relatively stable exchange rates."

The core concern, Mr. Lusser said, is that "not even the Bundesbank knows what unification will really mean." As a result, "central banks worldwide will not touch monetary policy until the process of unification is clarified."

Although the Bundesbank is a usual participant at the IMC conferences, it was absent this year. On short notice, Bundesbank president Karl Otto Pöhl said the pressing work load of German unification obliged him to remain at home.

In the view of commercial bankers attending the meeting, concern about the policy stance of the Bundesbank is based not only on the real costs of German unification but also on the perceived need for the central bank to repair the damange to its prestige.

On numerous occasions in the preparations leading to German unification, it has been clear that the Bundesbank has not been informed of the Bonn government's intentions.

Whether this has seriously hurt the position of the Bundesbank as the world's most independent central bank is a subject of debate.

The central bank governors went out of their way to reaffirm their confidence in the Bundesbank's capacity to manage the problems of unification and play down the significance of the public differences between the bank and the government.

The majority view among the commercial bankers was summed up by Dennis Weatherstone, chairman of Morgan Guaranty Trust.

"I don't think the Bundesbank has lost its independence," he said. "Every central bank has got to pay attention to the government. The measure of independence is one of degree — is the bank controlled by or closely associated with the government?"

The minority view, expressed by Alexis Wolkenstein, deputy chairman of Crédit Lyonnais, was that events have shown that the Bundesbank is as pliable as most other central banks.

Mr. Wolkenstein said that the Bundesbank's record as the most fiercely anti-inflation minded central bank reflected the political consensus of both political parties of West Germany, and that its lack of independence was bared by its losing battle with Bonn over the exchange rate of East German marks into the West German currency.

Whirlpool Link To Matsushita

Agence France-Presse

DANVILLE, Kentucky — Whirlpool Corp. and the Japanese electronics giant Matsushita Electric Industrial Co. announced Tuesday they had signed a joint venture to produce vacuum cleaners for North America.

Whirlpool, which is based in Benton Harbor, Michigan, and Osaka-based Matsushita will jointly own and operate Whirlpool's vacuum manufacturing plant in Danville.

Whirlpool will continue marketing and manufacturing vacuum cleaners while Matsushita was expected to use the Kentucky facility to expand its manufacturing and marketing base in North America.

VISAS: *Only Experts Need Apply*

(Continued from first finance page)

said Mr. Kenney, whose service has been embarrassed by court decisions overturning its H-1 rulings barring professionals. "Now you have to submit evidence that you are recognized in your field. You have to tell us why you qualify, we don't tell you."

This may sound like trying to hit a moving target, but in practice, the INS looks for at least a bachelor's degree in the field — which many nonspecialized European universities do not award — or equivalent work experience. That means making up a resume every bit as complex and often self-serving as the one needed to get the job in the first place.

"This is spawning a whole cottage industry of experts," said Elizabeth Espin, an immigration lawyer with Shaw, Pittman, Potts & Trowbridge in Washington. Instead of going into court to challenge the INS, a new breed of lawyer is earning handsome fees becoming expert in gathering testimonials from professional societies and trade organizations.

Worse may be in store, said Mr. Ruthizer, if Congress passes a bill already approved by the House immigration subcommittee and sponsored by Rep. Bruce Morrison, a Connecticut Democrat who is running for governor and seeks union support.

Mr. Morrison's bill, called the "Family Unity and Employment Opportunity Immigration Act of 1990," would increase the number of visas for family members of U.S. citizens and limit to 25,000 the number of H-1 visas. In exchange, the labor market test would be simplified so that employers could attest to a shortage of workers, subject to challenge by unions in the field.

In Boston, the middle-aged Italian wife of a Tufts University professor had her handbag stolen, and with it her immigration papers. She arrived at the INS office with copies and sought an official replacement. After being shunted from station to station for most of the day, she lost her patience and shouted: "You treat us worse than the Nazis during the war." Her fellow suppliants burst into applause.

Sri Lanka To Halt Tax on Foreigners

Reuters

COLOMBO — Sri Lanka will soon remove a 100 percent tax on foreigners buying shares in local companies, the cabinet spokesman, Ranjan Wijeratne, said Wednesday.

He said foreigners will be able to buy up to 40 percent of the equity in a company free of the tax.

The Colombo Stock Exchange soared to its highest level in several weeks because of the tax decision.

INVESTORS CHRONICLE MAY 1990

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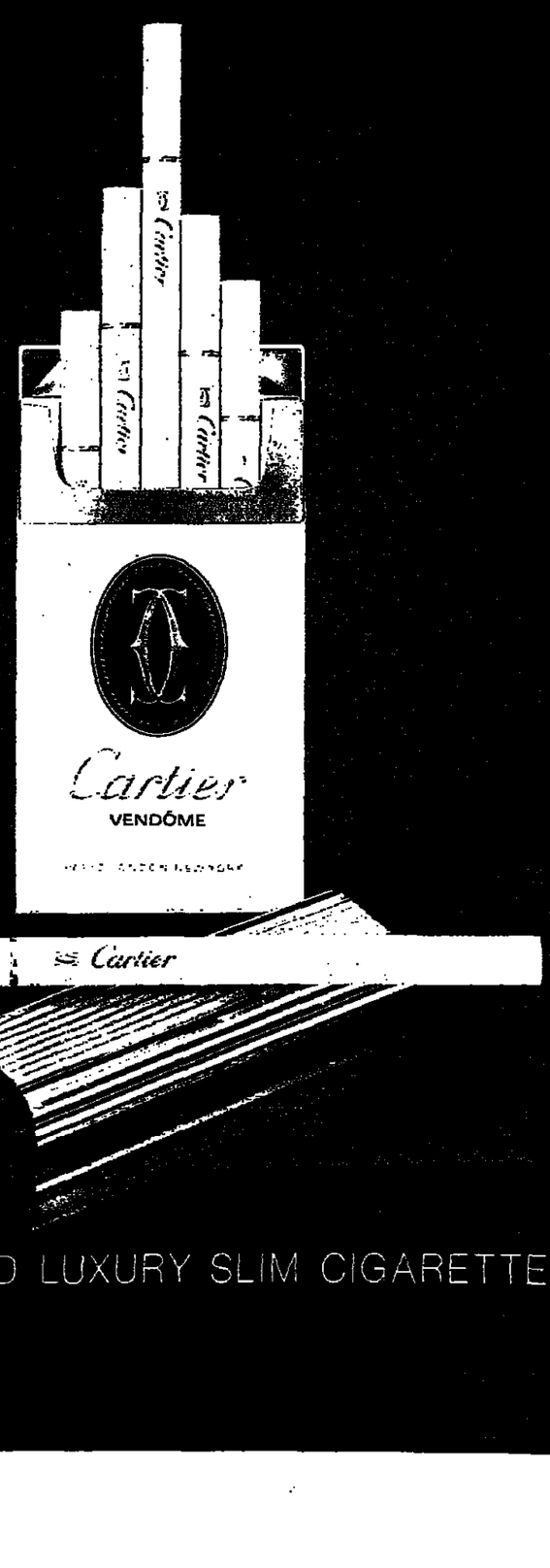
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PEARL TIPPED LUXURY SLIM CIGARETTES.

Powerhouse Brazil Now Has a Defense

Compiled by Our Staff From Dispatches

ROME — Soccer fans expecting to see Brazil's usual exuberant offensive play at this year's World Cup may be in for a surprise.

Defense, not offense, is now the team's forte.

Coach Sebastiaõ Lazaroni is convinced that defense, or the lack of it, is the reason three-time world champion Brazil hasn't won a World Cup since 1970.

GROUP C ASSESSMENT

The watchwords now are "combativeness, seriousness and determination," says Lazaroni.

He has added a new dimension, a European-style "sweeper" to Brazilian soccer. Since he did so last year, Brazil has been virtually unbeatable, winning its first South American championship since 1949 and sweeping aside its qualifying opponents. The new formation allows midfielders such as Silas and Valdo the freedom to attack without worrying about the defense.

The change amounted to a revolution. Many Brazilians privately felt that defense was what other teams should worry about.

"The Brazilian player learned to make sacrifices in the tactical aspect," says midfielder Dunga. "Before, we played a very pretty, refined and much applauded style of soccer, but in the end our opponents won. Now we are aware of the importance of victory and don't care if we get it playing ugly soccer."

Up front, Lazaroni has the luxury of four world-class strikers in Careca; Romario, who is recovering from a broken leg and might not play until the second round; the slightly built but exceptionally talented Bebeto, and 1986 veteran Muller.

At the back, goalkeeper Claudio Taffarel not only defies custom by using both names, he is also the best at the position that Brazil has produced in a long while.

The star of the team is Careca, a brilliant 29-year-old center-forward now on his third World Cup squad. Careca has been called the best player in the world by Argentina's Diego Maradona, who himself is often cited for that title.

Brazil has a unique record: It is the only country to have participated in every World Cup and has played and won more tournament matches than any other country.

Sweden won its qualifying group by winning four games and tying England twice. Even so, offense may be the biggest concern, although Tomas Brolin, who scored twice in a recent 4-2 victory over Wales, has emerged as a new hope in case Johnny Ekstrom, once considered a dangerous striker, fails to live up to his reputation. Defensively, the Swedes are solid, especially through the middle.

The coach, Olle Nordin, will rely on strikers Mats Magnusson and Stefan Pettersson to display the goal-scoring touch they showed for their club teams, Benfica of Portugal and Ajax Amsterdam. A berth in the second round is quite possible for the Swedes.

Just barely qualifying for the final round, Scotland is, as always, a team of promise and potential. A month after the Scots stunned Argentina, 1-0, in a friendly match in March, they blew a chance to defeat East Germany and lost, 1-0. In May, they lost to Egypt and tied Poland, a team the United States beat, 3-1. The inadequacies have left the coach, Andy Roxburgh to continually juggle his players, in search of the right combination, if one exists.

This is Costa Rica's first appearance in the final round.

In a shake-up during the spring, Bora Milutinovic of Yugoslavia replaced Marvin Rodriguez and began revamping the team by dropping six regulars and adding more than a dozen others.

What is left is a team striving to find style and form, and which, for the time being, will rely on solid defense, anchored by goalkeeper Luis Gabelo Conejo, and the best of the scorers, Juan Cayasso. So far, the results have been distressing, with recent losses to two teams that did not make the cup finals, Poland and Wales. *(NYT, AP)*



Santiago Lyon/Reuters

René Higuita, the athletic goalie of the Colombian team, being put through his paces during training.

Advancing Teams, Advanced Math

Reuters

ROME — Calculators may be needed to work out which 16 of the 24 teams in the World Cup finals survive the first round of group matches.

Under the complicated system first used at the 1986 finals in Mexico, the top two teams in each of the six groups qualify for the second phase of the tournament.

But that leaves the second round four teams short, so the four most successful of the third-place teams will also advance.

This means that teams which lose their first two group matches may still qualify if they win their third game.

That is where the calculators come in. The best four third-place finishers will be chosen, first, by their total points, then, if necessary, from their goal difference and, then, if still necessary, by which team has scored the most goals.

If after all this there are still two or more teams vying for that last place in the second round, FIFA will draw lots.

To decide group placings, there is an additional method for deciding between teams which finish even on points, goal difference and goals scored.

If two teams remain deadlocked after these three considerations, the result of the match between them will decide. Lots will be used as a last resort.

It is a complex system but one that ensures a cliff-hanging finish to the final round of group matches between June 18 and 21.

West Germany Has Scorers, Incentive

Compiled by Our Staff From Dispatches

ROME — West Germany has a chance to create soccer history: It can become the first nation to reach the championship game in three straight World Cups.

It also could become the first to lose three straight finals, following defeats to Italy in 1982 and Argentina in 1986. Either way, there

GROUP D ASSESSMENT

seems little doubt West Germany will again be a force in soccer's showcase event.

Coach Franz Beckenbauer, who captained West Germany to victory in 1974, has restructured the squad since the 1986 final in Mexico and this team has few weaknesses.

Foremost among the players is Thomas Hässler, a 23-year-old midfielder blessed with ideal finishers in Lothar Matthäus, playing in his third World Cup, Rudi Völler and Jürgen Klinsmann. The defense might not be as intimidating as in the past, but it might not have to be. Scoring goals does not seem to be a problem.

Of Matthäus, Beckenbauer says: "There are times when he does not know himself how good he really is."

The West Germans will also have considerable support in Milan from their home fans and the Italians. Andreas Brehme, Klinsmann and Matthäus all live in the city, where they play for Inter in the Italian League.

Völler and Berthold both play for Roma. The talent and organization of the West Germans, plus the Italian experience of nearly half the starting lineup, are ample reason why this team is so highly regarded.

In Mexico, the West Germans played solid if unspectacular soccer. They also demonstrated one of their great strengths: the ability to win even when not playing well. But that tournament ended with a 3-2 victory by Diego Maradona and his inspired Argentina team.

Now, too, there is another incentive: This will be West Germany's last World Cup. By 1994, when the United States is the host nation, East and West will have reunited, and it will be simply Germany that takes the field.

Yugoslavia, which opens against West Germany on Sunday, has a double-edged sword of expectation. Many of its players are talented enough to compete for European clubs, yet they return for national matches with an assortment of styles that are not always compatible. Their success in Italy could well depend upon how well they have learned to play with each other.

The team's performance will largely depend on its best player, midfielder Dragan Stojkovic, who has signed for Olympique Marseille and will start playing for the French team after the championships.

"Our main task is to place at least second in the group in which the Germans are clear favorites," said their coach, Ivica Osim, adding that his team has "to concentrate for the game against Colombia, which will be decisive."

In preparing for the final round, Colombia's players have survived everything from the murder of a referee during a league game to threats by drug lords to assure certain results to cancellation of league play. Undaunted, the team pressed on and developed one of the best goalkeepers in the world, René Higuita, who often roams far from the nets to join Colombia's other defenders in play.

This is Colombia's first final-round appearance since 1962 and second ever.

This is the United Arab Emirates' first time in the final round, and it reached Italy against all odds in qualifying by upsetting China.

With virtually no soccer tradition and one of the youngest teams in the tournament, the UAE is not expected to cause much of a ripple. In qualifying, it scored just four goals and won only one of five games, tying four. Then, the federation fired two coaches before rehiring Carlos Alberto Parreira of Brazil, who had been there four years before leaving for Saudi Arabia.

Alberto, has a fat contract but a slim chance of getting his team past the first round. *(NYT, UPI)*

Ladbrokes' Odds

Odds of winning the cup, from Ladbrokes, a British bookmaker:

Italy: 5-2
Brazil, the Netherlands: 9-2
West Germany: 6-1
Argentina: 8-1
Soviet Union: 12-1
England, Spain: 14-1
Belgium, Uruguay, Yugoslavia: 25-1
Ireland, Scotland, Sweden: 33-1
Austria, Colombia: 50-1
Czechoslovakia, Romania: 66-1
Cameroon, Egypt, S. Korea: 250-1
Costa Rica, United Arab Emirates, United States: 500-1

GROUP C

Games in Turin and Genoa
(Jersey numbers in parentheses)

Brazil

Goalkeepers: (1) Claudio Taffarel, (12) Acacio, (22) Ze Carlos.
Defenders: (6) Branco, (18) Mazinho, (2) Jorginho, (21) Mauro Galvão, (14) Aldair, (3) Ricardo Gomes, (19) Ricardo Rocha, (13) Carlos Mozer.
Midfielders: (10) Silas, (8) Valdo, (7) Bismarck, (20) Tita, (5) Alemão, (4) Dunga.
Forwards: (9) Careca; (15) Muller, (16) Bebeto, (11) Romario, (17) Renato.

Sweden

Goalkeepers: (22) Thomas Ravelli, (1) Sven Andersson, (12) Lars Eriksson.
Defenders: (2) Jan Eriksson, (3) Glenn Hysen, (4) Peter Larsson, (5) Roger Ljung, (6) Roland Nilsson, (7) Niclas Nyhlen, (8) Stefan Schwarz.
Midfielders: (9) Leif Engqvist, (10) Klas Ingesson, (11) Ulrik Jansson, (13) Anders Limpar, (14) Joakim Nilsson, (15) Glenn Stromberg, (16) Jonas Thern.
Forwards: (17) Tomas Brolin, (18) Johnny Ekstrom, (19) Mats Gren, (20) Mats Magnusson, (21) Stefan Pettersson.

Costa Rica

Goalkeepers: (1) Luis Gabelo Conejo, (21) Hermidio Barrantes, (22) Miguel Segura.
Defenders: (3) Roger Flores, (20) Mauricio Montero, (5) Marvin Obando, (2) Vladimir Quesada, (4) Ronald Gonzalez, (15) Ronald Marin, (18) Geovanni Jara.
Midfielders: (19) Héctor Marchena, (10) Oscar Ramírez, (6) José Carlos Chávez, (13) Miguel Davis, (9) Alexandre Guimaraes, (8) Germán Chavarría.
Forwards: (14) Juan Arnoldo Cayasso, (7) Hernán Medford, (16) José Jaikel, (17) Roy Mayers, (12) Roger Gómez, (11) Claudio Jara.

Scotland

Goalkeepers: (1) Jim Leighton, (12) Andy Goram, (22) Bryan Gunn.
Defenders: (17) Stewart McKimmie, (6) Maurice Malpas, (4) Richard Gough, (2) Alex McLeish, (11) Gary Gillespie, (15) Craig Levein, (19) Dave McPherson, (10) Murdo MacLeod.
Midfielders: (3) Roy Aitken, (8) Jim Bett, (5) Paul McStay, (18) John Collins, (16) Stuart McCall, (20) Gary McAllister.
Forwards: (7) Maurice Johnston, (9) Ally McCoist, (13) Gordon Durie, (14) Alan McInally, (21) Robert Fleck.

GROUP D

Games in Milan and Bologna
(Jersey numbers in parentheses)

West Germany

Goalkeepers: (12) Raimund Aumann, (1) Bodo Illgner, (22) Andreas Köpke.
Defenders: (5) Klaus Augenthaler, (4) Jürgen Kohler, (19) Hans Pflügler, (2) Stefan Reuter, (14) Thomas Berthold, (3) Andreas Brehme, (6) Guido Buchwald, (16) Paul Steiner.
Midfielders: (15) Uwe Bein, (8) Thomas Hässler, (7) Pierre Littbarski, (21) Günther Hermann, (10) Lothar Matthäus, (17) Andreas Möller, (20) Olaf Thon.
Forwards: (18) Jürgen Klinsmann, (11) Frank Mill, (13) Karlheinz Riedle, (9) Rudi Völler.

Yugoslavia

Goalkeepers: (1) Tomislav Ivkovic, (12) Fahrudin Omerovic, (22) Dragoje Lekovic.
Defenders: (3) Predrag Spasic, (2) Vujadin Stanojkovic, (4) Zoran Vulic, (18) Mirsad Baljic, (5) Faruk Hadzibegic, (6) Davor Jozic, (17) Robert Jarni.
Midfielders: (7) Dragoljub Brnovic, (21) Andrej Panadic, (16) Refik Sabanadzovic, (13) Srecko Katanec, (10) Dragan Stojkovic, (15) Robert Prosinecki.
Forwards: (8) Safet Susic, (19) Dejan Savicevic, (11) Zlatko Vujovic, (20) Davor Suker, (9) Darko Pancev, (14) Alen Boksic.

United Arab Emirates

Goalkeepers: (17) Mohsen Musabbah, (22) Abdul Qadir Hassan, (1) Abdullah Mousa.
Defenders: (15) Ibrahim Mir, (4) Mubarek Ghanem, (2) Khalil Ghanem, (20) Yousuf Hassan, (21) Abdul Rahman Haddad, (19) Issa Mir, (5) Abdullah Sultan, (16) Muhammed Salim Mubarek.
Midfielders: (14) Nasser Khamis, (8) Khaled Ismail, (6) Abdul Rahman Mohammed, (18) Fahd Abdul Rahman, (12) Hussein Ghuloum, (13) Hassan Mohammed.
Forwards: (3) Ali Thani, (11) Zuhair Bakhit, (10) Adnan Talyani, (7) Fahd Khamis, (9) Abdul Aziz Mohammed.

Colombia

Goalkeepers: (1) René Higuita, (12) Eduardo Nino.
Defenders: (2) Andrés Escobar, (4) Luis Fernando Herrera, (15) Luis Carlos Perea, (21) Alexis Mendoza, (3) Gildardo Gómez, (5) León Fernando Vila, (13) Carlos Mario Hoyos, (17) Geovanis Cassiani.
Midfielders: (10) Carlos Valderrama, (14) Leonel Alvarez, (6) Ricardo Perez, (11) Bernardo Redin, (20) Alfonso Fajardo, (8) Gabriel Jaime Gomez, (18) Wilmer Cabrera, (19) Freddy Rincón.
Forwards: (16) Arnoldo Iguarán, (22) Rubén Darío Hernández, (7) Carlos Enrique Estrada, (9) Miguel Guerrero.

Those Won't Be Talent Scouts Using the Binoculars

Reuters

ROME — Secret agents are being mobilized to keep an eye on the games.

The interior ministry said Wednesday that 10 agents from military and civil intelligence would be allowed into each stadium during matches. They and as many as 40 plainclothes policemen would be engaged in "activities of a secret nature," a statement said, apparently in reference to fears that terrorists may try to exploit the World Cup.

Thousands of uniformed police and paramilitary carabinieri will be on guard at the 12 stadiums. But the ministry ordered off duty policemen not to turn up — and try to get in free to watch the soccer games.

TELEVISION LISTINGS FOR ASIA, THE AMERICAS

Hours listed next to matches: starting times in Italy; all broadcast times are local.

Friday, June 8

Argentina vs. Cameroon, 6 P.M.
Canada*: TSN, RDS, at noon, repeat at 8:30 P.M.
United States*: TNT, UNI, noon.
Egypt: Channel 5, *A* at 6:48 P.M.
United Arab Emirates: UAE channels 10/33, at 8 P.M.
Australia: SBS-TV, Saturday, at 2 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, 11:45 P.M.
Indonesia: RTCI, at 10:05 P.M.
Japan: Saturday, NHK Sat.1 at 1 A.M., repeat at 1 P.M.; at 1 A.M. on NHK Channel 1 in Tokyo, NHK Channel 2 in Osaka, NHK Channel 3 in Nagoya.
Malaysia: RTM1, at midnight.
Singapore: SBC 12, at 11 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, tape at 2 P.M. Sunday.
Thailand: TV3, at 10:45 P.M.

Saturday, June 9

A U.S.S.R. vs. Romania, 5 P.M.
B UAE vs. Colombia, 5 P.M.
C Italy vs. Austria, 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* tape at 5 P.M.; *C* at 2:55 P.M., repeat at 8:30 P.M.
United States: *A*, at 11 A.M. on TNT; *B*, at 10:45 on UNI; *C*, at 3 P.M. on TNT, at 2:45 on UNI.
Egypt: Channel 9, *A* at 5:48 P.M.; Channel 5, *C* at 9:48 P.M., *B* tape at 3 P.M. Monday.
United Arab Emirates: UAE all channels, at 6:48 P.M.; Channel 10, *A* tape at 9:10 P.M.; channels 10/33, *C* at 10:48 P.M.
Australia: SBS-TV, Sunday, *A* tape at 2:50 A.M., repeat 1:30 P.M.; *B* at 0:30 A.M., repeat 3:10 P.M.; *C* at 5 A.M., repeat 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; Sunday, *B* tape at 1 A.M., *C* at 2:45 A.M.
Indonesia: RTCI, *A* tape at 11:50 P.M.; *B* at 9:40 P.M.; *C* at 1:50 A.M. Sunday.
Japan: NHK Sat.1, *A* at midnight, repeat at noon Sunday; on Sunday, *B* tape at 2 A.M., repeat at 2 P.M.; *C* at 3:55 A.M., repeat at 4 P.M.
Malaysia: RTM1, *A* or *B* at 11 P.M., *C* at 3 A.M. Sunday.
Singapore: SBC-12, *A* at 11 P.M. On Sunday, *B* at 1:00 A.M.; *C* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, on Monday, *A* tape at 3:30 P.M., *C* tape at 11:30 P.M.; on Tuesday, *B* tape at 3:30 P.M.
Thailand: TV5, *A* tape at midnight; *B* at 9.50 P.M. On Sunday, *C* at 1:50 A.M., repeat at 5:30 P.M.

Sunday, June 10

A U.S. vs. Czechoslovakia, 5 P.M.
B Brazil vs. Sweden, 9 P.M.
C W. Germany vs. Yugoslavia, 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* at 2:55 P.M., repeat at 8:30 P.M.; *C* tape at 5 P.M.
United States: *A*, at 11 P.M. on TNT, at 10:45 on UNI; *B* at 3 P.M. on TNT, at 2:45 P.M. on UNI.
Egypt: Channel 5, *B* at 5:48 P.M., *C* tape at 3 P.M. Wednesday; Channel 9, *A* tape at 3 P.M. Tuesday.
United Arab Emirates: UAE Channel 10, *A* at 6:48 P.M.; channels 10/33, *B* at 10:43 P.M., *C* tape at 5:15 P.M. Monday.
Australia: SBS-TV, on Monday, *A* at 00:30 A.M., repeat at 1:30 P.M.; *B* tape at 7:00 A.M., repeat at 4:50 P.M.; *C* at 4:45 A.M., repeat at 3:10 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; Monday, *B* at 2:45 A.M., *C* tape at 5 A.M.
Indonesia: RTCI, *A* at 9:40 P.M.; Monday, *B* at 1:50 A.M., *C* tape at 4:30 P.M.
Japan: NHK Sat.1, *A* at midnight, repeat at noon Monday; Monday, *B* at 3:55 A.M., repeat at 2 P.M.; *C* at 3:55 A.M., repeat at 2 P.M.; *B* tape at 6 A.M., repeat at 4:15 P.M.
Malaysia: RTM1, *A* at 11 P.M., *B* or *C* at 3 A.M. Monday.
Singapore: SBC, *A* at 11 P.M.; Monday, *B* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, *A* tape at 11:30 P.M. Tuesday; on Wednesday, *C* tape at 3:30 P.M., *B* tape at 11:30 P.M.
Thailand: TV7, *A* at 9:50 P.M. On Monday, *B* at 1:45 A.M., repeat at 5:30 P.M.; *C* tape at 4:00 A.M.

Monday, June 11

A Costa Rica vs. Scotland, 5 P.M.
B England vs. Ireland, 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* 2:55 P.M., repeat midnight.
United States: TNT, *B* at 3 P.M.; UNI highlights at 10 P.M.
Egypt: Channel 5, *A* at 5:58 P.M.; Channel 5, *B* at 9:48 P.M.
United Arab Emirates: UAE Channel 10, *A* at 6:48 P.M.; channels 10/33, *B* at 10:48 P.M.
Australia: SBS-TV, on Tuesday, *A* at 00:30 A.M., repeat at 3:10 P.M.; *B* at 4:45 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; *B* at 2:45 A.M. Tuesday.
Indonesia: RTCI, *A* at 9:40 P.M.; *B* at 1:30 A.M. Tuesday.
Japan: NHK Sat.1, *A* at midnight, repeat at noon Tuesday; *B* at 3:55 A.M. Tuesday, repeat at 2 P.M.
Malaysia: RTM1, *A* at 11 P.M., *B* at 3 A.M. Tuesday.
Singapore: SBC, *A* at 11 P.M.; Tuesday, *B* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, *A* tape at midnight Thursday, *B* tape at midnight Friday.
Thailand: TV9, *A* at 9:50 P.M.; Tuesday, *B* at 1:45 A.M., repeat 5:30 P.M.

Tuesday, June 12

A Belgium vs. South Korea, 5 P.M.
B Netherlands vs. Egypt, 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* 2:55 P.M., repeat 11:30 P.M.
United States: UNI highlights 10 P.M.
Egypt: Channel 9, *A* at 5:48 P.M.; Channel 5, *B* at 9.48 P.M.
United Arab Emirates: UAE Channel 10, *A* at 6:48 P.M.; channels 10/33, *B* at 10:48 P.M.
Australia: SBS-TV, Wednesday, *A* at 0:30 A.M., repeat 3:10 P.M.; *B* at 4:45 A.M., repeat 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; *B* at 2:45 A.M. Wednesday.
Indonesia: RTCI, *A* at 9:40 P.M.; *B* at 1:30 A.M. Wednesday.
Japan: NHK Sat.1, *A* at midnight, repeat noon Wednesday; *B* at 3:55 A.M. Wednesday, repeat at 2 P.M.
Malaysia: RTM1, *A* at 11 P.M., *B* at 3 A.M. Wednesday.
Singapore: SBC, *A* at 11 P.M. On Wednesday, *B* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, *A* tape at 3:30 P.M. Thursday, *B* tape, 3:30 P.M. Friday.
Thailand: TV3, *A* at 9:50 P.M.; Wednesday, *B* at 1:45 A.M., repeat at 5:30 P.M.

Wednesday, June 13

A Uruguay vs. Spain, 5 P.M.
B Argentina vs. U.S.S.R., 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* at 2:55 P.M., repeat 7:30.
United States: *B*, at 3 P.M., UNI.
Egypt: Channel 9, *A* at 5:48 P.M.; Channel 5, *B* at 9:48 P.M.
United Arab Emirates: UAE channels 10/33, *A* at 6:48 P.M., *B* at 10:43 P.M.
Australia: SBS-TV, on Thursday, *A* at 00:30 A.M., repeat at 3:10 P.M.; *B* at 4:45 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; *B* at 2:45 A.M. Thursday.
Indonesia: RTCI, *A* at 9:40 P.M.; *B* at 1:40 A.M. Thursday.
Japan: NHK Sat.1, *A* at midnight, repeat at noon Thursday; *B* at 3:55 A.M. Thursday, repeat at 2 P.M.
Malaysia: RTM1, *A* at 11 P.M., *B* at 3 A.M. Thursday.
Singapore: SBC, *A* at 11 P.M.; Thursday, *B* at 3 A.M.; highlights 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, *B* tape at 9:40 A.M. Saturday; *A* tape at 1 A.M. Sunday.
Thailand: TV5, *A* at 9:50 P.M. On Thursday, *B* at 1:45 A.M., repeat at 5:30 P.M.

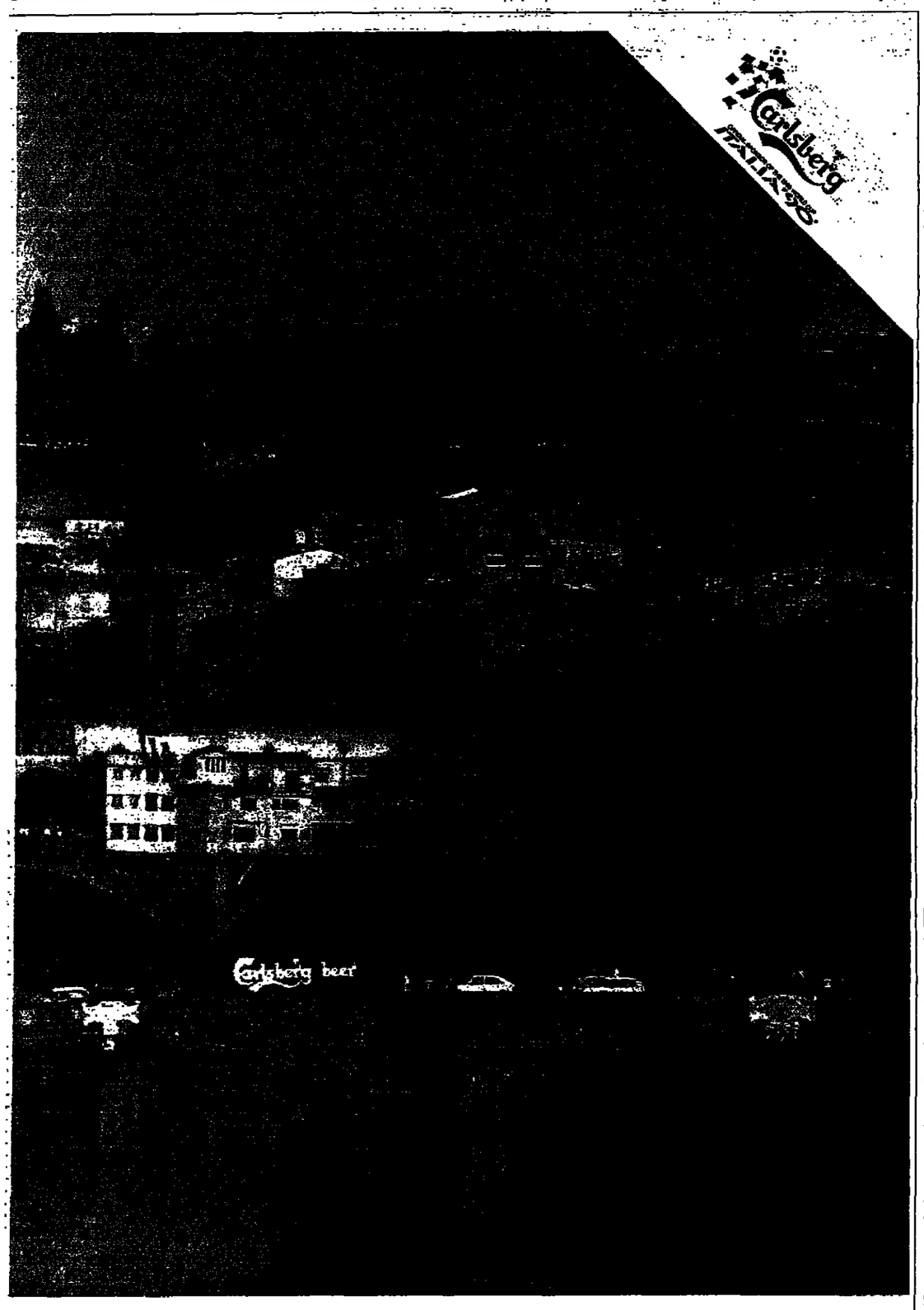
Thursday, June 14

A Yugoslavia vs. Colombia, 5 P.M.
B Cameroon vs. Romania, 5 P.M.
C Italy vs. U.S., 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* tape at 1 P.M.; *C* at 3 A.M., repeat at midnight.
United States: *C*, 3 P.M., TNT, UNI.
Egypt: Channel 9, *A* at 5:48 P.M.; Channel 5, *C* at 9:48 P.M.; *B* tape at 3 P.M. Friday.
United Arab Emirates: UAE channels 10/33, *A* at 6:48 P.M.; Channel 10, *B* tape at 9:10 P.M.; channels 10/33, *C* at 10:48 P.M.
Australia: SBS-TV, Friday, *A* at 0:30 A.M., repeat 1:30 P.M.; *B* tape at 2:50 A.M., repeat 3:10 P.M.; *C* at 4:45 A.M., repeat 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *B* at 10:45; Friday, *A* tape at 1 A.M.; *C* at 2:45 A.M.
Indonesia: RTCI, *A* at 9:40 P.M.; *B* tape at 11:50; *C* at 1:40 A.M. Friday.
Japan: NHK Sat.1, *A* at midnight, repeat 4 P.M. Saturday; Friday, *C* at 3:55 A.M., repeat 4:15 P.M.; *B* tape at 2 P.M., repeat midnight Tuesday.
Malaysia: RTM1, *A* at 11 P.M., *B* or *C* at 3 A.M. Friday.
Singapore: SBC, *A* at 11 P.M. On Friday, *B* tape at 1 A.M.; *C* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, *C* tape at 2 P.M. Sunday; on Monday, *B* tape at 3:30 P.M., *A* tape at 11:30 P.M.
Thailand: TV7, *A* at 9:50 P.M., *B* tape at midnight. On Friday, *C* at 1:45 A.M., repeat at 5:30 P.M.

Friday, June 15

A Austria vs. Czechoslovakia, 5 P.M.
B West Germany vs. UAE, 9 P.M.
Canada: TSN, RDS, *A* at 10:55 A.M.; *B* at 2:55 P.M., repeat at 8:30 P.M.
United States: UNI, highlights at 10 P.M.
Egypt: Channel 9, *A* at 5:48 P.M.; Channel 5, *B* at 9:48 P.M.
United Arab Emirates: UAE Channel 10, *A* at 6:48 P.M.; all channels, *B* at 10:43 P.M.
Australia: SBS-TV, on Saturday, *A* at 00:30 A.M., repeat at 3:10 P.M.; *B* at 4:45 A.M., repeat at 4:50 P.M.
Hong Kong: ATV, TVB, highlights at 7:35 P.M.; *A* at 10:45 P.M.; *B* at 2:45 A.M. Saturday.
Indonesia: RTCI, *A* at 9:40 P.M.; *B* at 1:40 A.M. Saturday.
Japan: NHK Sat.1, *A* at midnight, repeat at noon Saturday; *B*, at 3:55 A.M. Saturday, repeat at 2 P.M.; highlights of the week at 11:57 A.M. on NHK Channel 1 in Tokyo, on NHK Channel 2 in Osaka, on NHK Channel 3 in Nagoya.
Malaysia: RTM1, *A* at 11 P.M., *B* at 3 A.M. Saturday.
Singapore: SBC, *A* at 11 P.M.; Saturday, *B* at 3 A.M.; highlights at 7 P.M.
South Korea: KSB1, MBC11**
Taiwan: CTS, on Tuesday, *A* tape at 3:30 P.M., *B* tape at 11:30 P.M.
Thailand: TV9, *A* at 9:50 P.M.; Saturday, *B* 1:45 A.M., repeat 5:30 P.M.

* All times EDT.
** Schedules unavailable.



Probably the best beer in the world.

Austria's Explosive Scorer Polster Has the Potential to Dominate

By Michael Janofsky
New York Times Service

ARTIMINO, Italy — For a backdrop, Toni Polster could not have chosen a more regal setting.

Behind him, atop a peak in the Tuscan hills about 15 miles (24 kilometers) northwest of Florence, stands the Villa d'Artimino, a four-story, 16th-century stone mansion once known as the Villa of the 100 Chimneys, for obvious reasons, and once a summer home of the Medici family.

These days, the building is part museum and part meeting hall, and for the time being, an activity center for Austria's national soccer team, which is training in the town next door, Comeanna, for its opening match in the World Cup finals Saturday against Italy.

The luxurious backdrop seemed entirely appropriate for Polster, 26, a forward and team captain who has blossomed into one of the world's most explosive scorers.

The only Austrian playing for a foreign team, Seville in Spain, he is easily the best scorer among the teams grouped with Austria for the first round: Italy, Czechoslovakia and the United States.

Beyond that, however, Polster is one of the few players who is generally viewed as having the potential to dominate World Cup matches the way other players have in the past — if not quite to the level of Pelé in 1962, Paolo Rossi in 1982 or Diego Maradona in 1986, then close.

An imposing figure at 6 feet, 2 inches and 176 pounds (1.87 meters and 79.8 kilograms), Polster scored 33 goals this season with Seville, which ranked him third in Europe.

"He is a typical striker with the instincts for a dangerous situation," said Josef Hickersberger, the coach of the Austrian team. "But he stays quiet and calm in the goal area, always keeping his head to see where he had to finish."

At home in Vienna, Polster has become something of a hero, a familiar face wherever he goes and now a favorite of the fans.

But it was not always so, and Polster's recent rise to Elysian heights in Austrian society reflects how public passion can love, hate, then love again, within a short space of time.

As a younger player, he developed a reputation of being lazy.

"Immature," as Hickersberger said.

By 1985, he was Austria's leading scorer, but a year later, the national team failed to advance from the World Cup qualifying rounds.

Over the next two seasons, Polster's renown as a scorer developed, as he finished the 1987 season with 39 goals, then signed to play for Torino's first division team in the Italian league.

After he scored nine goals, a creditable performance for his first season away from home, Polster's contract was transferred to Seville for $2 million, and his efficiency improved significantly.

But at the same time, he found his proclivities were becoming a curse.

"People began to get angry," he said Tuesday, standing on the steps of the villa.

"They were angry I was earning money outside Austria and they started thinking that I should score three or four goals every game," he said.

The public's discontent reached its height during the final stages of Austria's World Cup qualifying matches, as Polster failed to score in a 0-0 draw with the Soviet Union and a 3-0 loss to Turkey.

As he took the field in Vienna for the final qualifying match, when the Austrians needed a victory to advance, he was showered with boos and whistles.

He was stunned.

The final score: Austria 3, East Germany 0.

Polster scored all three goals.

"He wanted to show all of them he could win the game alone," said Hickersberger. "He did."

Leaving the field, Polster was showered again, but with waves of wild adulation and appreciation.

"I was angry at first," Polster said. "But it's O.K. now. I have forgotten about it, but I hope that the people have learned something."



Guido Broglio/The Associated Press

Oleg Kuznetzov, left, and Oleg Protasov had a different way of practicing ball control as the Soviet Union team conducted its training session at Ciocco in Tuscany.

Havelange Is Re-Elected Head Of FIFA at Raucous Congress

Compiled by Our Staff From Dispatches

ROME — João Havelange was re-elected Wednesday to a fifth four-year term as president of FIFA as the governing body's Congress retained the hierarchy of soccer powers at the expense of emerging nations, but did approve measures to keep the game up to date.

Havelange, the 74-year-old Brazilian lawyer and entrepreneur, was unopposed. He became FIFA's president in 1974 when he took over from Sir Stanley Rous.

An African proposal to reduce the clout of the United Kingdom and other traditional strongholds in FIFA's hierarchy, and give greater say to Africa, Asia, Oceania and North and Central America, did not get the required 75 percent of the vote.

"Sooner or later they will have to change, you have to have some equality of some sort," said David Phiri, chairman of the Zambian federation.

"Everything stays the good, old, same situation," said Michel D'Hooghe, a FIFA executive committee member from Belgium. "All the radical proposals were refused by the Congress."

The United Kingdom now has four votes — because of its four federations — and is assured of one of the nine vice presidencies in the world soccer federation.

England, Wales, Scotland and Northern Ireland are full members of FIFA.

"To give four votes by virtue of being British is just not good enough," said Said Elmaamry of Tanzania, who made the proposal as representative of the African nations.

Africa and Asia have just one vice president each, compared with four from Europe, including one reserved for the Soviet Union.

"The situation is you scratch my back, I'll scratch yours," said Phiri.

Even in World Cup qualifying Africa feels under represented. It is allotted two teams at the World Cup; Europe gets 14.

"There is an injustice," said Elmaamry.

The United Kingdom's preferential treatment — based on its historic role as cradle of the game — came in for some harsh criticism.

"There is no moral, legal or political reason why Britain should still be in this position," said Elmaamry.

"Soccer has developed to such an extent I don't see why we should be discriminated against," said Phiri.

"We are no longer 100 years ago. Everything is different now," said Saleh Ben Nasser, who heads the Saudi delegation. "The British Isles did a lot of good work, but now it's time to be equal."

Looking at the podium of top FIFA officials, he said "Look, there is not a single African among them."

The Congress did approve measures to speed up decision-making, enabling it to adapt better to the rapid pace of technological progress. It increased the clout of the executive committee to handle sensitive issues since it meets twice every year while the Congress, meets every two years.

This should improve FIFA's handling of such issues as broadcast rights, which have come under increasing stress because of the expansion of television the world over.

"It is imperative that we direct our attention to soccer in the third millenium," Havelange said.

(AP, Reuters)



Wesley Bocxe/Reuters

Havelange: Unopposed for a fifth four-year term.

WORLD CUP WARM-UP

Sardinia Ban: No Sales, No Drinking

CAGLIARI, Sardinia (Reuters) — Sardinian authorities Wednesday imposed a draconian ban on alcohol in an attempt to prevent violence by England's soccer hooligans.

The prefect of Cagliari, Mario Paxi, who has for weeks resisted pressure from Britain and the mayor of Cagliari for a ban, announced that not only sales but the consumption of alcohol would be prohibited before and after the three matches involving England.

An order signed by the prefect banned sales of alcohol in Cagliari and a wide area around the city for nearly 48 hours before and after the matches against Ireland on Monday, the Netherlands on June 16 and Egypt on June 21.

Consumption of alcohol will be banned from midnight before the matches to 8 A.M. the morning after. Italy's three police forces were ordered to crack down on breaches of the ban, which the mayor's order said would be punished under the law.

FIFA Delays Sanctions on Greece

ROME (AP) — FIFA's Congress decided Wednesday to give Greece extra time to adapt its statutes to the world federation's regulations, instead of imposing a penalty that could have kept the national team from competing in September.

"There is no sanction now, but we are keeping a close watch on this," said a FIFA executive committee member, Michel D'Hooghe.

The Congress also overturned Jordan's six-month suspension, imposed the day before because the country had organized international competitions without FIFA's permission.

Players to Be Fined for Suspension

ROME (UPI) — FIFA's general secretary, Sepp Blatter, has announced that players will be penalized financially if they are suspended during the World Cup.

The fine will be 5,000 Swiss francs ($3,500) for two yellow cards received in the opening phase of matches and 10,000 Swiss francs for a red card. There will be no fine levied for one yellow card.

The fines will double for the second phase of matches and double again for the third, in an attempt to encourage "gentlemanly conduct" Blatter said Tuesday. The decision was made by the FIFA Disciplinary Committee.

•

Colombian striker Arnold Iguaran was pronounced fit Wednesday to play in his team's opening match against the United Arab Emirates on Saturday. *(AP)*

Mo Johnston, the most successful cup striker in Scotland's history, said Wednesday his toren stomach muscles were healing and that he hoped to play in the opener against Costa Rica on June 11. *(AP)*

British goalkeeper Peter Shilton has injured his knee, although not seriously, but two defenders, Paul Parker and Mark Wright, may not be able to play in the game against the Irish, the team said Wednesday. *(AP)*

Sweden is likely to go into its opening match against Brazil without injured captain Glenn Hysen, the team's manager, Olle Nordin, said Wednesday. *(UPI)*

Valery Lobanovsky said he would retire as coach of the Soviet national team after the World Cup finals. He has been with the team for almost eight years as a coach and manager. *(AP)*

Quotable

● Franz Beckenbauer, West Germany's manager: "For me personally this World Cup has no importance," but "I would wish it for the team that they become world champions. They are such good characters." *(Reuters)*

Correction

Because of an editing error, an assessment of the Belgian team and its roster of players appeared in place of those of Romania in some editions of Wednesday's International Herald Tribune.

Romanians: A Whole New Ball Game

Reuters

BARI, Italy — Romania's soccer players have traveled light to the World Cup, unburdened at last by the sinister minders who used to follow them everywhere.

After years of trailing players abroad to stop them from defecting to the West, the dreaded Securitate police of the executed dictator Nicolae Ceausescu are nowhere to be seen.

"Now it's possible to play with a smile on your lips," said the Romanian team's manager, Emerich Jenei.

The players are enjoying a new feeling of freedom and patriotism since the revolution that toppled Ceausescu last December.

It could lift the team to new heights in their cup campaign, which begins against the Soviet Union on Saturday.

"Since the revolution morale is 100 percent better," said Jenei. "The mental attitude for life and the game is better and you can expect to see that in the first match."

The players appeared happy and relaxed when they arrived in Bari and inspected the San Nicola stadium where they will also face Cameroon in Group B before playing Argentina in Naples.

They are brimming with confidence after eliminating the talented Danes in a tough qualifying group and are looking forward to their country's first appearance in the World Cup finals since 1970.

It is a far cry from the old days for the deputy sports minister, Cornel Dinu, who played in the 1970 finals in Mexico and is now traveling with the team.

"Now you don't see the two or three people who were disguised as part of the team but were working for the Securitate," Dinu said.

"There used to be a great panic because players were threatened that some of their rights would be lost. All these tactics have disappeared."

Dinu said the threats included those of taking away cash rewards if the team lost and restricting travel abroad — one of the perks enjoyed by soccer players under Ceausescu.

Some Romanians fear the Securitate could be operating again, but Dinu said the changes were profound in soccer.

"It's a 180 degree turn in a different direction. Now the players are even free to choose other clubs" abroad he said.

"Of course we are hoping that the players will do better and be more imaginative and creative because of this, although it may take some time creating a new system."

He added: "They should play better because they won't be afraid of somebody punishing them if they don't win.

"But it's a very complex process and is hard to anticipate. We were not prepared for such a great change and we don't have anyone who can explain it to them."

But the players are delighted and inspired by the changes, even though none took part in the fighting during the revolution.

"For me it's like coming out of prison," said 31-year-old striker Rodion Camataru.

For 20-year-old forward Florin Raducioiu, who is just breaking in with the national team, it means a chance to join a Western club and make a fortune out of soccer.

"In my country the mentality has changed in every field, including football," he said with a broad grin.



Karl-Heinz Kuhfuhs/The Associated Press

An Italian policeman at the West German team's training camp at Caldaro was the friendly sort, more participant than guard.

Turf and Roof Diseases Strike at Cup Stadiums

Compiled by Our Staff From Dispatches

MILAN — The turf at new Giuseppe Meazza stadium hasn't taken root and teams have been barred from using the pitch for World Cup training, but tournament organizers, denying a press report that the new turf at Milan's San Siro stadium had failed to take root, have promised a perfect field for Friday's opening game between Argentina and Cameroon.

In Rome, a further problem with Olympic Stadium arose Wednesday when heavy rain penetrated openings in new roofing and flooded the press box.

Olympic Stadium technicians said material to seal the openings would arrive in time for either Saturday's first match between Italy and Austria or for Italy's next game, against the United States on June 14.

"We are astonished that things like this are still happening three days before the Italy-Austria match," said Italy's chief World Cup organizer, Luca di Montezemolo.

Argentina had asked to be allowed to practice on the Meazza stadium's field Thursday afternoon, but the request was refused.

West Germany was also denied permission to practice at Meazza for its opening match against Yugoslavia on Sunday.

"We got a telex from FIFA last night telling us that no team will be allowed to train at the Meazza stadium," said the West German team manager, Franz Beckenbauer. "They want to preserve the grass."

The teams will have to train at Milan's second stadium, San Siro.

The sod at San Siro was relaid in April after the old surface, branded a "potato patch" by Italian soccer players, broke up under the strain of too many matches and less light because of new roofing over the stands.

"There is no problem. The pitch is in perfect condition," an Italia '90 spokesman said Wednesday.

He denied a report in the Corriere dello Sport newspaper that the turf had not taken root.

Back in Rome, consumer and environmental groups on Wednesday asked a court to ban the use of Olympic Stadium for the six matches, including the final, that are scheduled there.

The groups asked the court to suspend an order by Interior Minister Antonio Gava allowing the stadium to be used despite an official report that it does not fully comply with safety standards.



Reuters

A worker rolls the turf at Milan's new Giuseppe Meazza stadium.

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(Continued From Back Page)

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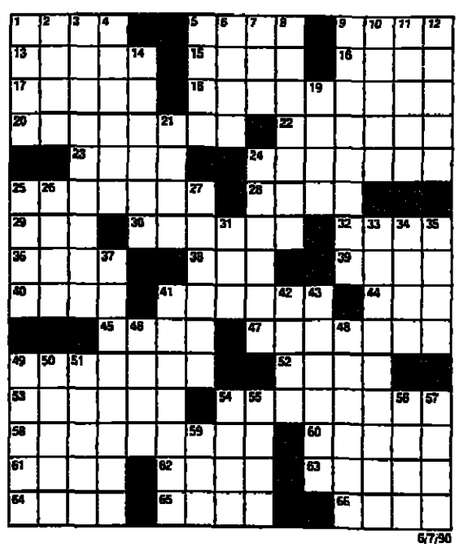
1 State featured in this puzzle
5 Jewish month
9 Hindu holy man
13 Skips
15 Actress Eilbacher
16 "The Arrangement," by —— Kazan
17 Too much, in music
18 Birthplace of Meredith Willson
20 In the front
22 Cylindrical
23 Goals
24 —— hair (not a trace)
25 Liqueur
28 Hot spot
29 Hirt and Smith
30 Kind of fly
32 Being, to a philosopher
36 Coop sound
38 Neighbor of Ida
39 Radio appurtenance
40 Chefs' containers
41 Grandparents, at times
44 Goddess of plenty
45 Affirmative votes
47 Maltreat again
49 Vice President from 1 Across
52 Holm oak
53 Greg's dancer
54 Small tooth
58 One of the Quad Cities
60 Exchange premiums
61 "Rome of Hungary"
62 Mediterranean city
63 " born to —— right!" Hamlet
64 Cub Scout units
65 Facts
66 Since, in Ayr

DOWN

1 Whit
2 Arabian Sea gulf
3 John Wayne's birthplace
4 Be present
5 Pollster Roper
6 Prevaricator
7 Naval initials
8 Native of Vientiane
9 Hid
10 Peregrine
11 The same
12 Certain rural workman
14 Squalid
19 Sparks and Rorem
21 Munich's river
24 President from West Branch
25 Li'l Abner's creator
26 Spread
27 Woolly
31 Comprehend
33 Birthplace of twin columnists Abby and Ann
34 Undermines
35 Otherwise
37 Devotional books
41 Crustacean with 10 legs
42 Strap
43 City and province in Argentina
46 Tale
48 Light colors
49 Forded
50 "The labor of —— in piled stones?" Milton
51 Rouse
54 Mild oath
55 Sicilian landmark
56 Cut of meat
57 Punta del ——
59 ". . . man —— mouse?"

Solution to Previous Puzzle

B	O	S	C	■	M	I	C	E	■	C	A	P	R	I
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A	L	I	N	E	■	C	U	T	E	■	G	R	I	D
M	O	L	T	S	■	S	P	A	S	■	S	A	L	A



6/7/90

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SPORTS

Pistons Rally Past Blazers, 105-99

By Sam Goldaper
New York Times Service

AUBURN HILLS, Michigan — The Detroit Pistons, seeking to become only the third franchise to win National Basketball Association championships in successive years, took another step in that direction, although for a long time the step was more of a stumble.

After never leading in the game, the Pistons, led by Isiah Thomas, rallied late in the fourth quarter and defeated the Portland Trail Blazers, 105-99, in the opener of the best-of-seven championship series at the Palace on Tuesday night.

Game 2 will be played here Thursday night. The series then moves to Portland for three games.

The Trail Blazers led from the opening basket and the Pistons could only tie the score twice going into the fourth quarter.

They even fell behind by 90-80 with 6 minutes, 58 seconds, to play in the quarter.

Then the comeback began as Thomas, the Pistons' captain and point guard, took command and Portland went more than four minutes without a field goal.

Thomas's three-point basket with 3:30 remaining made it 94-94. His two-pointer a minute later made it 96-94 and gave the Pistons their first lead of the game.

His three-pointer with 1:49 left made it 99-94 and virtually sealed matters. Thomas finished with 33 points, 18 of them in the fourth quarter.

Before the game, he made little of the title-defense aspect of the series.

"We're not here to defend anything," he said.

"We're here to win a championship," he added. "This is not the same team that won last year; we're a different team with different goals and some different people."

NBA FINALS: GAME 1

Although their playing styles were different, with Portland stressing the fast break and Detroit playing more deliberately, the teams had a commonness in the way they were put together.

Among the starters on both teams, Thomas and Buck Williams, who came to Portland from the New Jersey Nets in a trade last June, were among the top five players selected in the first round of the 1981 draft.

The Pistons used the second pick for Thomas; the Nets chose Williams third.

Terry Porter, the Trail Blazers' heralded point guard, was the 24th choice in the 1985 draft, and Joe Dumars, the Pistons' other starting guard, was chosen six players earlier in the same draft.

Dennis Rodman of Detroit and Kevin Duckworth of Portland were second-round selections, and Bill Laimbeer and James Edwards, two-thirds of the Pistons' starting front line, were third-rounders.

"But believe me," said Jack Mc-Closkey, the Pistons' general manager, "if you try to survive on the draft alone, it will catch up with you. You must make trades and sign a free agent here and there."

Jerome Kersey, picked 46th in the 1984 draft out of Longwood College in Virginia, got the Trail Blazers off to a torrid start and a 20-9 lead with 5½ minutes remaining in the opening quarter.

Portland, pushing the ball upcourt quickly so that its outside shooters could plant their feet firmly for open jumpers, missed only three of its first 10 shots.

The Blazers led, 15-5, when the Pistons called a timeout with 7:13 left in the quarter. The 6-foot, 7-inch (2-meter) Kersey, who entered the game as the Trail Blazers' leading playoff scorer (21 points per game), had six points at that break.

Kersey made five of his six shots and had 12 points as Portland shot 52 percent for the quarter.

While Portland hardly missed a shot, Detroit could barely make one.

The Pistons did not score their first basket, a layup by Edwards, until nine minutes remained in the period.

During the timeout, the Pistons changed their strategy. Instead of throwing up wild shots, they began to go inside, their strength.

Thomas, who had 12 points at the quarter, drove for three baskets and Dumars hit a jumper and added two free throws to slice the lead to five with 3:44 left.

But four more points by Kersey and two Clyde Drexler free throws got Portland's lead back to 11.

The Trail Blazers' shooting cooled at the start of the second quarter, the Piston defense toughened and Mark Aguirre came off the bench to lend a hand with nine points, allowing Detroit to creep back into the game. A three-point play by Laimbeer with 6:26 left in the half allowed the Pistons to catch up at 35-35.

But Detroit was never able to take the lead, and Portland led, 52-47, at halftime.

The Pistons drew even again, 66-66, five minutes into the third quarter after a layup by Thomas on a pass from Rodman.

■ Krzyzewski Talks Cited

Mike Krzyzewski, the basketball coach at Duke, will meet for the second time with the Boston Celtics concerning the NBA team's vacant coaching position, United Press International reported Tuesday from Durham, North Carolina.

Sources said that the meeting later this week would include Dave Gavitt, Boston's new executive vice president, and possibly the team president, Red Auerbach. The Celtics are expected to make a contract proposal at that time.

Jimmy Rodgers was fired as coach last month after Boston's first-round playoff elimination.

Gavitt and Krzyzewski met Monday in Durham, but both have declined to comment on their talks.



Elise Amendola/The Associated Press

Isiah Thomas, whose commanding play in the fourth quarter boosted the Pistons, getting a lift from teammate Dennis Rodman.

VANTAGE POINT/Thomas Boswell

Isiah Shifts to 'I' Gear

Washington Post Service

AUBURN HILLS, Michigan — The line between hubris and heroism often is stretched paper thin in sports. Without an incredibly high level of arrogance and audacity, it is impossible to do remarkable deeds under abnormal pressure. However, an iota too much gall and you become a goat, an egomaniac and a curse to your teammates.

As he has aged into a superb maturity, Isiah Thomas has learned exactly when to unveil his athletic arrogance and turn it into the dependable coin of heroism. Now, in his 10th season in the National Basketball Association, the Detroit Pistons' guard — like Magic Johnson and Larry Bird in the NBA finals before him — knows exactly when to forget all those cliches about "team" being a word that contains no "I."

Without the "I" in Isiah, the defending NBA champion Pistons would have lost the first game of the 1990 finals Tuesday and the home-court advantage with it. With less than seven minutes to play, Detroit trailed Portland, 90-80. The Pistons were an exhausted team being thoroughly outplayed. The Trail Blazers had, in fact, never trailed.

The Pistons called time out. They did not have to say, "Isiah, please." Everybody knew.

"We were belly up, dead in the water, when Isiah took over," said Chuck Daly, the Detroit coach. "He played one of those magic 10 minutes when he was on fire and bailed us out."

At the same moment when Detroit made the perfect decision — go to Thomas — the Trail Blazers' coach, Rick Adelman, made a disastrous one. Portland's weakness is its young bench, especially guard Danny Young and forward Cliff Robinson, who looked lost all night. With a chance to win an enormously important game, Adelman left Young and Robinson in the game. Before he could get them out, Thomas had hit two quick jump shots and dished off an assist as the Pistons cut the lead to 92-89 and awakened the dormant crowd.

"Isiah can take over even when he's dead-tired and totally fatigued," Daly said. "And he did it again tonight."

The crowd helped. "I got an energy burst from somewhere," Thomas said. "Earlier I was missing layups because I just didn't have enough energy to get it to the hole. But the crowd was into it and I fed off them."

Thomas has had countless nights of glory in a career full of 20-point, 10-assist games. But even Thomas hasn't had many explosions better than the 2:28 burst that he laid on the Trail Blazers.

At 4:18, when Thomas made a steal, Detroit still trailed, 94-89. At 1:50, when he nailed a brazen in-your-face three-point bomb from in front of the Pistons' bench, Detroit led, 99-94, and the game was over emotionally.

Thomas is supposed to be a driver first, a disher second and a pure shooter down the line. His career shooting percentage (.459) is nowhere close to the level of his game. But when he needed to stick it from the street, he did. The final score (105-99) felt like a formality.

Thomas may have given the Blazers the kiss of death Tuesday, but nobody who was there thinks the Pistons are safe.

The Trail Blazers probably left a wake-up call for most basketball fans Tuesday night. These NBA finals just became mandatory viewing for sports nuts. And lots of others, too. Those who love pro basketball know the Trail Blazers won 59 games this season, as did the Pistons.

"We were the struggling team all night long," Daly said. "We looked like a dead-tired club. We have to recoup, energy-wise and I don't know how. It's knockdown drag-out time now. I'm afraid that's how it's going to be. We were lucky to win one like that. They're very athletic. They'll be back."

Oddly, Portland sounded cocky after this battle. Except for its essentially nonexistent bench, Portland did everything it set out to do. The 7-foot (2.13-meter) Kevin Duckworth pushed Bill Laimbeer around like a child. Clyde Drexler had no problem penetrating. Jerome Kersey and even Buck Williams, not known for offense, could get their shots at will.

But despite all Portland's optimism in defeat, the champion Pistons emerged with two solid causes for repeat hope: Their bench, especially Mark Aguirre (18 points in 28 minutes), appears enormously better than Portland's. And, in the closing minutes, when most championships are decided, they always know where they can turn — to the little point guard with a baby's face and a killer's heart.



No one seriously disputes that the first game of baseball was played on the old Elysian Fields cricket grounds in Hoboken on June 19, 1846, just as no one seriously believes that Abner Doubleday invented baseball in Cooperstown in 1839.

Hoboken Again Lays Claim to Baseball

New York Times Service

NEW YORK — It is as much a part of the panoply of baseball as spring training, hot dogs and the seventh-inning stretch, and, like those cherished traditions, this one seems destined to endure.

It is the periodic, always earnest and invariably vain campaign to persuade some authoritative body beyond New Jersey's borders to provide official recognition of the indisputable fact that Hoboken, New Jersey, was the birthplace of baseball.

No one seriously disputes that the first game of baseball, as opposed to the various forms of town ball or other precursors, was played on the old Elysian Fields cricket grounds in Hoboken on June 19, 1846, just as no one seriously believes that Abner Doubleday invented baseball (or anything else) in Cooperstown, New York, in 1839. (He wasn't there.)

But the Cooperstown whopper is such a charming fiction and the Hoboken campaigns are such delightful diversions that the burghers of baseball are not likely to spoil things by giving Hoboken the recognition it seeks.

The current campaign, to be sure, sets standards that future campaigns will find hard to equal, but will surely try.

Among other things, the 1990 edition includes the usual photograph of the old Currier & Ives print of the first game and a stunning new poster by the Hoboken artist Michael Vernaglia promoting the latest re-creation of the game, at Stevens Park, on June 19.

There is also a ringing statement by the mayor of Hoboken, Patrick Pasculli, and a series of monographs by a Hoboken historian, Stephen E. Speiser, retelling the familiar story of how Alexander Cartwright devised the rules of modern baseball and staged the first game in Hoboken and re-debunking the well-debunked Doubleday-Cooperstown myth.

All this is packaged by a Hoboken public relations firm, as professionally and as persuasively as any produced by the industry giants across the Hudson.

The campaign, to be sure, is so compelling that it would be hard not to accept the Hoboken claim, except for the fact that to do so would rob future generations of one of their baseball birthrights: the chance to savor — and to ignore — Hoboken's repeated plaintive appeals.

One day, of course, baseball authorities just may recognize Hoboken's claim. That, presumably, will be the day they abolish spring training, hot dogs and the seventh-inning stretch.

BOOKS

SMALL VICTORIES: The Real World of a Teacher, Her Students, and Their High School

By Samuel G. Freedman. 431 pages. $22.95. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

Reviewed by
Richard Rodriguez

As national confidence in U.S. public education erodes, there has been a search on television and in films and books for the good teacher — Marva Collins on "60 Minutes"; Jaime Escalante in "Stand and Deliver."

Last year, Tracy Kidder's "Among School Children" described a year in the life of a grammar school teacher. Now we have Samuel G. Freedman's "Small Victories," an account of a year in the life of a high school teacher.

Freedman's good teacher is Jessica Siegel, a woman in her 30s, single, childless, an English teacher possessed of no discernible sentimentality about her mission and yet much passion.

Freedman, a former reporter for The New York Times, follows her through the 1987-88 academic year at Seward Park High School on the Lower East Side of Manhattan — "perhaps the most famous immigrant neighborhood in the world."

"Small Victories" does not tell us very much about the special needs of immigrant children. Despite the fact that 90 percent of Seward Park students come from homes where parents do not speak English, Freedman does not evaluate debatable innovations like bilingual education.

Partly this is because Siegel's students are seniors — most have been in the United States for several years and know their way through American English.

Here, windows are broken, classrooms are overcrowded. In 1985, an education task force, noting Seward Park's low test scores, ranked the school with the lowest 10 percent in the state of New York.

"Looking down the aisles and across the rows, Jessica sees the usual Seward Park stew, all the confusion an immigrant society can offer — an American-born black alongside a Panamanian who has the same pigment but speaks Spanish at home; a Chinese in pleated trousers and aviator glasses in front of a compatriot with crudely hacked hair and a second-hand sweatshirt."

Seward Park is nothing in the public appraisal. Nothing but an educational Calcutta. Nothing but a big city neighborhood school, "the catchbasin for poor black, Hispanic and Asian children."

Seward Park receives proportionately less money from the Board of Education than selective magnet schools or special public schools like Stuyvesant High. Why, then, do we seek out the story of Jessica Siegel and her "small victories"?

At a time when college professors shy away from the notion of a common American canon, Siegel teaches her students the 17th-century Puritan poetry of Anne Bradstreet. Siegel succeeds because she will not condescend to the "social disadvantages" or "cultural diversity" of her students.

The most remarkable scene in this book comes when Siegel explicates with her class the nuances of a paragraph in "The Great Gatsby."

What her story does make clear is that teaching, good teaching, is a vocation, not a job. There she goes with three students in a borrowed car, defying rush hour traffic to get to the State University campus at New Paltz. Siegel has arranged interviews for her students with a counselor for economically disadvantaged students.

She gets lost on the way; she gets stuck in traffic; the students arrive too late. (The university bureaucrat is poised to leave his office at exactly 5 P.M.) And we care about Siegel's frustration. We care about her disappointment.

A book like "Small Victories" encourages optimism. Here is a portrayal of a selfless life in a selfish time. But Siegel's story should not bring easy consolation. She has left teaching.

Richard Rodriguez is the author of "Hunger of Memory," the story of his education. His new book, "Mexico's Children," is to be published by Viking in 1991. He wrote this for The New York Times.

BRIDGE

By Alan Truscott

TWO West players read a wealth of meaning into a hesitant pass by an opponent on the diagramed deal from the Reisinger Knockout Team Championship quarter-final in New York. At both tables the bidding followed the course show. The raise to four hearts was a slight overbid, and South thought briefly about slam possibilities before passing. Both West players concluded from this that routine defense was unlikely to succeed. They were right about this: After a passive lead of a trump or a club, South would have had no trouble whatever. But an attacking lead could give the declarer a headache. In one case Saul Bronstein, executive secretary of the Greater New York Bridge Association, which organizes the event, underled his ace of spades. This was immediately devastating: South naturally assumed that the ace was on his right. He played the jack from the dummy, and lost the first four tricks when the defense took a diamond ruff as well as two spades. In the replay David Berkowitz led the diamond ace with the idea of giving his partner a ruff. This was right up to a point, but when the dummy appeared he realized that one diamond ruff would not serve to beat the contract. He therefore underled his ace of spades, and South again went wrong by playing the jack. Again the result was down one. In this case, however, there was a very obscure clue to the winning play. If, as South feared, West had led a singleton diamond ace and East held the spade ace, East would presumably have played the diamond ten at the first trick as a suit preference signal for a shift to spades.

NORTH (D)
♠K J
♡A J 10 4
♢K Q J 8 5 2
♣Q

WEST
♠A 7 5 2
♡6 3
♢A 10 8 7
♣8 6 2

EAST
♠Q 10 8 6 3
♡Q 5
♢3
♣K 9 7 4 3

SOUTH
♠9 6
♡K 9 8 7 2
♢9 4
♣A J 10 5

Neither side was vulnerable. The bidding:

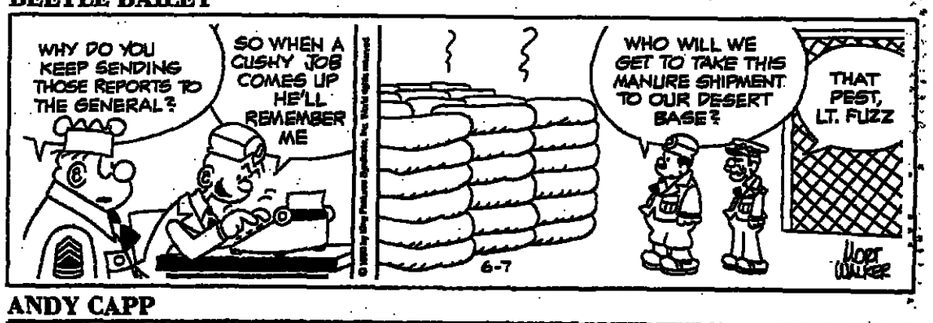
North	East	South	West
1♢	Pass	1♡	Pass
4♡	Pass	Pass	Pass

West led the spade two.

PEANUTS



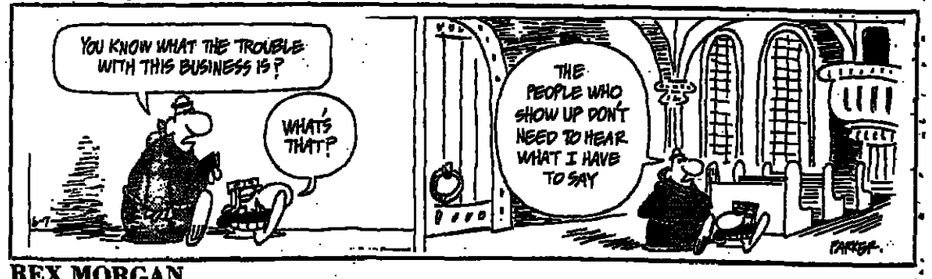
BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FLYIM

JEDDA

CLOTEK

BELUBB



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: AN ◯◯◯◯◯◯

(Answers tomorrow)

Yesterday's Jumbles: CROUP FOIST DENTAL WALLOP
Answer: Why he woke up feeling down in the mouth— THE PILLOW WAS TORN

BLONDIE



SPORTS

Agassi: On a Roll With Hot Tennis (and Colors)

By Nick Stout
International Herald Tribune

PARIS — Observing Andre Agassi play tennis here for the past few days, a popular French talk-show host remarked: "He dresses like a bicycle racer and walks like a soccer player."

Nonconformism is certainly Agassi's trademark. The pink stretch-nylon cycling pants that he wears to mid-thigh under his faded black tennis shorts may not please the "bozos," as he calls the gentlemen who make the rules, but they have not prevented him from playing tantalizing tennis during the past 10 days.

With the French Open now reduced to the final four, this 20-year-old product of Las Vegas is the odds-on favorite to win the tournament.

"I'm a different player," Agassi said this week, reflecting on his third-round loss here last year. "I'm physically stronger, which makes a difference. And when you're physically stronger, you're also mentally stronger."

The improvement was not lost on Michael Chang, Agassi's most recent victim.

"The clay has given him more of a thinking game," Chang said Tuesday after his quarterfinal loss to Agassi. "On clay you really need to think. And he's thinking a lot better. On hard courts he can really blow a person off the court. On clay you can't do that. After what he's gone through in the last year, I think he's really matured and we'll have to see how he does in the next couple of rounds. He's playing some good tennis."

After an impressive year in 1988, when he won six tournaments and was ranked as high as No. 3, Agassi buckled under the pressure.

"I was just fried," he said, explaining his slump. He won only one tournament in 1989, and saw his ranking fall to No. 7. But he entered the French Open — his sixth event this year — exuding confidence. With two tournaments already in hand and a ranking of No. 5, he is clearly back on a roll.

Agassi started the year in February with a tournament victory in San Francisco. The next week he defaulted in the third round with a bout of food poisoning, but in March he took Stefan Edberg to four sets — including two tiebreakers — before losing the final at Indian Wells, California.

Less than two weeks later, Agassi and Edberg were in the final of the Lipton Players Championships in Key Biscayne, Florida, and this time Agassi prevailed.

In the clay-court event in Hamburg in May, Agassi lost a rain-interrupted contest to Magnus Gustafsson of Sweden. Rather than continue on the preparation circuit for the French Open, Agassi went home to Las Vegas so that he could come back to Europe in a refreshed state of mind.

Maybe he was thinking of his 1988 semifinal match here, which he lost in five sets to Mats Wilander.

"I felt horrible after that match," Agassi said recently. "It was so close. I felt weak and I cramped. I just thought of bed, and of getting off the court quickly."

Seen everywhere with Agassi this year is Gil Reyes, a refrigerator of a man who, according to Agassi, "isn't a bodyguard, but a friend who happens to be very strong and who could be a bodyguard if necessary." The two have been working since January on Agassi's physical conditioning.

"You guys would be looking at your watches if I tried to tell you everything I do," Agassi told reporters who were curious about his exercise regimen. He gave a few brief examples, however: "Upper body, lower body, sprints."

If he wins the French Open, Agassi will probably have his first face-to-face encounter with Philippe Chatrier, the tournament director whom he has been insulting all week in the much exaggerated controversy over Agassi's attire.

The hullabaloo centers on Chatrier's statement that the French Open might follow Wimbledon's example and institute a "predominantly white" dress code.

Agassi, who has a lucrative contract with the clothing manufacturer Nike, has staunchly defended his fluorescent look.

"I think you should have freedom to express how you feel," he said. "Wearing colors is what tennis needs. It adds a little something."

As a taunt to Chatrier, who is also president of the French and international federations, and others who would tend to disagree, Agassi gave a hint of what was to come.

"Hot lava colors," he said with a grin.



Lionel Cironneau/The Associated Press
Andre Agassi: Fluorescent clothing and tantalizing tennis.

Muster Ousts Ivanisevic, Gomez Routs Champion

By Nick Stout
International Herald Tribune

PARIS — Thomas Muster and Andres Gomez were triumphant here Wednesday, completing the semifinal lineup in the French Open tennis championships.

They will play each other on Friday for the right to challenge the winner of the Andre Agassi-Jonas Svensson match in Sunday's final.

Muster, the Austrian who came to Paris fresh from a victory in the Italian Open, beat Goran Ivanisevic of Yugoslavia, 6-2, 4-6, 6-4, 6-3. Gomez disposed of Thierry Champion of France, 6-3, 6-3, 6-4.

The women's semifinals are set for Thursday, when Steffi Graf plays Jana Novotna and Jennifer Capriati challenges Monica Seles.

The Muster-Ivanisevic match was a slugfest between two tall left-handers on a chilly gray afternoon.

"He was playing unbelievably," Ivanisevic, 18, said of his 22-year-old opponent. "He played the balls so heavy and kept moving me from left to right. If he keeps playing like this, he's going to win the tournament."

For Muster, the victory represents yet another step in his remarkable comeback from an automobile accident that nearly ruined his career.

"I worked hard while I was injured, and all my preparation has paid off," Muster said Wednesday after eliminating the man who had upset Boris Becker, the second seed, in the first round.

The most difficult part of the match, Muster said, was trying to anticipate Ivanisevic's scathing serve.

"It was getting dark, and he served so hard," Muster said. "I couldn't guess where it was going. It was very hard on my eyes."

So hard, in fact, that Ivanisevic was able to serve 10 aces.

"Goran was very confident," Muster continued. "But I could see in the fourth set that he was tired and couldn't place his serves as well. He wasn't as powerful."

In April 1989, hours after he beat Yannick Noah to reach the final of the Lipton Players Championships in Key Biscayne, Florida, Muster was struck by a drunken driver. He was pinned under a car, and the ligaments in his left knee were severed.

So Muster came to the French Open last year on crutches, doing commentary for Austrian television. He slowly worked his way back into shape with the aid of a special chair that let him hit tennis balls while keeping his injured leg at rest. It was often discouraging. The doctor had told him not to expect results before 12 months, but Muster was in a hurry.

"You try to build up your muscles and nothing happens," he said. "Your muscles just don't get bigger. Sometimes you think it will never happen."

But he was playing tennis again in September, reappearing in a doubles tournament in Geneva.

As an unseeded player at the Monte Carlo Open in April, Muster fought past Martin Jaite, Jim Courier, Juan Aguillera and Henri Leconte before he was stopped by Andrei Chesnokov in the final. A few weeks later, he got revenge by defeating Chesnokov in the final of the Italian Open.

Now, as the No. 7 seed here, Muster feels he has regained the level of play that he had before the accident. It is only his attitude that is different.

"I learned a lot from my accident," he said. "I learned that there are more important things in life than losing or winning a match. If I win, then great. But if I lose, then in my mind I am happy just to be alive."

"There are more painful things in life than losing a match," he continued. "It lasts only for a moment when you lose a match. But when you have been working 10 years to reach a goal, and then you're almost there and suddenly you can't walk any more, that's more difficult than losing a match."

Gomez, one of the world's finest clay-court players and the No. 4 seed here, had little trouble with Champion, a 23-year-old French qualifier ranked 191st in the world.

"To play him in the quarterfinals was too good an opportunity to let go," said Gomez, whose luck also included a fourth-round walkover when Magnus Gustafsson of Sweden withdrew with an injury. "After 10 or 12 years on the circuit, there was no way I was going to let it go."

Champion got as far as he did by defeating Aguillera in the second round and then profiting from Karel Novacek's upset of Aaron Krickstein.

Gomez, a semifinalist for the first time in 10 years of playing Grand Slam tournaments, is finally within sight of victory.

"I came as one of the favorites," the 30-year-old Ecuadoran said. "With all the talk about Chesnokov and Muster and Leconte, I have been pushed aside. I have won two tournaments on clay this year and have had good results on clay. I beat Chesnokov and I lost to Muster, and I lost to Leconte and I beat Aguillera, and so everybody is beating everybody. Now, I'm here and most of the others are gone. My preparation was perfect going into this tournament.

"I didn't come here to get to the quarters or the semis," he added. "I came here to win."



Jean-Paul Pelissier/Reuters
Andres Gomez disposed of Thierry Champion in straight sets.

FRENCH OPEN

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Bill Kostroun/The Associated Press
Montreal's Otis Nixon was safe, sneaking under Gregg Jefferies.

Playing 'Better and Better,' Pirates Edge Cubs, 6-5, but Fail to Win Fans

The Associated Press

It seems to take a lot to convince the Pittsburgh fans that the Pirates are for real this season.

The first two contests of a three-game series against the defending National League East champion Chicago Cubs in Pittsburgh drew a combined total of 29,899. The Pirates are doing their very best to bring the fans out, though.

Pittsburgh turned two high-hop ground balls and a walk into the winning run in the ninth inning to beat the Cubs, 6-5, Tuesday night in Pittsburgh.

With a 32-19 record, the Pirates lead Philadelphia and Montreal by four games in the East Division.

Bobby Bonilla hit a three-run homer in the first inning as the Pirates won for the eighth time in 11 games.

"I've seen it all here," said outfielder R.J. Reynolds, who scored the tying run in the eighth and drove home the winning run in the ninth. "I've seen 102 losses in a season. But now I'm seeing it getting better and better."

With the Pirates trailing, 5-4, in the eighth, Reynolds singled and scored on a sacrifice fly by Andy Van Slyke.

Pinch-hitter Wally Backman walked to start Pittsburgh's ninth and Gary Redus hit a grounder that bounced over third baseman Domingo Ramos's head for a double. With the infield playing in, Backman scored standing up as Reynolds hit a high-bouncing grounder to second.

Mets 6, Expos 5: Tom O'Malley hit a home run in the 11th inning to lift the Mets in New York. Kevin McReynolds broke a 1-for-25 slump when he tied the score, 5-5, with a two-run homer in the eighth.

Phillies 9, Cardinals 6: Len Dykstra, who extended his hitting streak to 18 games, tied the score with a two-run single and Von Hayes put Philadelphia ahead with another two-run single to cap a four-run eighth for the visiting Phillies.

Giants 6, Reds 1: Scott Garrelts ended a season-long slump by outpitching the National League's earned-run-average leader, Jack Armstrong, in San Francisco.

Armstrong failed to become the league's first nine-game winner after giving up three runs on four hits in 6⅔ innings. Garrelts, last year's National League ERA leader, was 0-3 with a 9.33 ERA in four starts before holding the Reds to four hits over seven innings.

Braves 6, Dodgers 4: Atlanta's Pete Smith pitched one-hit ball for seven innings and a throwing error by Dodger third baseman Lenny Harris led to a six-run eighth inning in Los Angeles.

Dave Justice added a two-run double, Dale Murphy an RBI single and Jeff Blauser capped the Braves' eighth with a run-scoring double.

Padres 11, Astros 2: Dennis Rasmussen pitched a four-hitter and Shawn Abner and Garry Templeton hit consecutive home runs in a six-run fifth inning in San Diego.

Athletics 7, Rangers 4: In an American League game in Texas, Mark McGwire hit two homers and drove in five runs and Dennis Eckersley got his 17th save in 17 chances.

Blue Jays 7, Twins 3: Tony Fernandez, moved from the leadoff to the No. 2 batting position on Saturday, tripled twice and drove in three runs for the Blue Jays in Toronto. Mookie Wilson got three hits and Fred McGriff homered.

Red Sox 9, Yankees 8: In Boston, Wade Boggs tripled in the eighth and scored the winning run on Jody Reed's suicide-squeeze.

Randy Velarde's two-run homer capped a four-run rally in the Yankees' eighth that tied it at 8.

Mariners 10, White Sox 6: Jay Buhner hit a three-run double and Henry Cotto tripled and singled during a seven-run fifth inning in Chicago. Cotto made it 4-1 with an RBI triple, then made it 10-1 with a two-run single.

Tigers 6, Indians 2: In Cleveland, Cecil Fielder and Lloyd Moseby, who each got two hits, had RBI singles in the third, and Alan Trammell's two-run single made it 6-0 in the fourth.

Brewers 6, Orioles 4: Jaime Navarro, sent to the minors earlier this season and recalled because of injuries, gave up two singles in six innings in Milwaukee.

B.J. Surhoff homered during a three-run sixth inning that put the Brewers ahead, 5-1.

Angels 6, Royals 4: In Kansas City, Chili Davis hit his second home run of the season and scored in two days, as California scored three times in the first.

BASEBALL ROUNDUP

Morgan Barred Over Support of 'Hit' by Clemens

The Associated Press

NEW YORK — Joe Morgan, the Boston Red Sox manager, has been suspended for three games by the American League president, Bobby Brown, for backing a pitch that hit a batter and led to a bench-clearing brawl Sunday.

Morgan said he would not contest the suspension, which was to begin Wednesday. "Appeal? Appeal for what? You lose appeals," he said.

The battle started Saturday when Cleveland reliever Doug Jones threw a pitch near the head of Tony Pena, who had helped Boston win the previous night. On Sunday, Roger Clemens hit Stanley Jefferson leading off the Indians' first inning, triggering a fight.

"I loved it. We got even, didn't we?" Morgan had said.

Brown said in a statement: "The fact that pitchers throw close to hitters and sometimes deliberately hit them is a known fact. Nevertheless, it behooves the American League office to eliminate premeditated and announced violence. This cannot be condoned, and increasing suspensions and fines will be imposed if the practice continues."



Pierre Gleizes/The Associated Press
Thomas Muster slamming a forehand return during his quarterfinal slugfest with Goran Ivanisevic.

SIDELINES

Yankees Fire Dent and 2 Coaches

BOSTON (AP) — Bucky Dent, manager of the New York Yankees, and two coaches were dismissed Wednesday. It was the 19th managerial change in 17 years since George Steinbrenner purchased controlling interest in the team.

Dent was replaced by Carl (Stump) Merrill, manager of the Yankees' farm club in Columbus, Ohio. Champ Summers, the batting coach, and Joe Sparks, the third base coach, were also dismissed.

The changes came with the Yankees saddled by an 18-31 record — the worst in baseball. Dent had been rumored to be in trouble almost from the start of the season as the team struggled with a patchwork pitching staff and quickly sank to the bottom of its division.

Bugno Triumphs in Tour of Italy

MILAN (AP) — Gianni Bugno of Italy won the Tour of Italy cycle race Wednesday, matching a 17-year-old record by staying in the lead of the race for all 20 stages.

Bugno, 26, notched his first victory in the tour, or Giro, in 91 hours, 51 minutes, 8 seconds, and beat runner-up Charly Mottet of France by 6:33, according to an unofficial time. The last person to lead the Tour of Italy from start to finish was Eddy Merckx in 1973.

Mario Cipollini of Italy won the 20th and last stage, which took riders 18 times over a five-kilometer (three-mile) course through Milan.

Quest for Fame Wins Epsom Derby

EPSOM, England (Reuters) — Roger Charlton, a former stockbroker, became the first novice horse trainer to win both the French Derby and the Epsom Derby in the same season when Quest for Fame, given a 7-1 chance, won here on Wednesday.

Charlton's Sanglamore won in Chantilly, France, on Sunday. Both horses were ridden by Pat Eddery, an English jockey, and are owned by Prince Khalid Abdulla of Saudi Arabia. It is only the second time ever that a trainer and owner have won both derbies.

South Africa Seeks Olympic Return

BARCELONA (Reuters) — African Olympic committees agreed on Wednesday to meet South African sports organizations in August to discuss conditions for readmitting South Africa to the Olympics.

Jean-Claude Gang, president of the Association of African National Olympic Committees, told the Association of National Olympic Committees here that South Africa's admission would be linked to the eradication of apartheid and the setting up of nonsegregated sports organizations.

South Africa has not been allowed to take part in the Olympics since 1960.

Aouita Optimistic After Surgery

PARIS (AP) — Said Aouita of Morocco, who holds five world records in track and won a gold medal at the 1984 Olympic Games, said Wednesday that he is optimistic about his running career after surgery on a nagging calf injury.

He will stay five more days in the hospital after his operation here on Tuesday and hopes to be back in action by late summer.

Aouita, 30, holds world marks in the 1,500, 2,000, 3,000 and 5,000 meters, and the two miles, and won the 800-meter bronze medal at the 1988 Seoul Olympics.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	27	23	.540	—
Milwaukee	26	23	.531	½
Toronto	28	25	.528	½
Cleveland	23	26	.469	3½
Baltimore	24	28	.462	4
Detroit	23	30	.434	5½
New York	18	31	.367	8½

West Division

	W	L	Pct.	GB
Oakland	34	16	.680	—
Chicago	30	18	.625	3
Minnesota	29	22	.569	5½
California	26	27	.491	9½
Seattle	25	28	.472	10½
Kansas City	22	28	.440	12
Texas	21	31	.404	14

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	32	19	.627	—
Philadelphia	27	22	.551	4
Montreal	28	23	.549	4
New York	22	26	.458	8½
St. Louis	23	29	.442	9½
Chicago	22	30	.423	10½

West Division

	W	L	Pct.	GB
Cincinnati	33	14	.702	—
San Diego	27	24	.529	8
Los Angeles	26	27	.491	10
San Francisco	24	29	.453	12
Atlanta	20	29	.408	14
Houston	20	32	.385	15½

Tuesday's Line Scores

AMERICAN LEAGUE

New York	112 000 040—8 12 2	
Boston	521 000 01x—9 12 1	

Hawkins, Cadaret (2), Plunk (6) and Cerone. Gerau (8); Dopson, Lamp (6), Murphy (7), Reardon (8), Ja.Reed (9) and Pena. W—Reardon, 3-1. L—Plunk, 2-2. Sv—Ja.Reed (1). HRs—New York, Espinoza (1), Hall (5), Velarde (1).

Detroit	012 200 000—5 10 2	
Cleveland	000 200 000—2 7 0	

Petry, Nunez (6) and Heath; Candiotti, Valdez (4), Orosco (8) and Alomar. W—Petry, 5-2. L—Candiotti, 5-3. Sv—Nunez (1).

Minnesota	010 000 200—3 5 1	
Toronto	001 120 20x—7 14 0	

R.Smith, Wayne (5), Leach (7) and Harper; Wells, Ward (8) and Myers. W—Wells, 3-1. L—R.Smith, 4-5. HRs—Minnesota, Goetti (7), Mack (2). Toronto, McGriff (9).

Seattle	120 070 000—10 10 2	
Chicago	100 022 000— 4 10 1	

Holman, Comstock (6), Schooler (9) and Sinatro; Hibbard, Petterson (5), Edwards (7), Radinsky (9) and Karkovice. W—Holman, 7-3. L—Hibbard, 4-4.

California	310 101 000—6 11 1	
Kansas City	011 002 000—4 14 0	

Langston, Eichhorn (7), Harvey (9) and Parrish; Dotson, Appier (2), Aquino (5), Crawford (8) and Macfarlane. W—Langston, 4-5. L—Dotson, 5-4. Sv—Harvey (6). HR—California, C.Davis (6).

Baltimore	001 000 030—4 6 1	
Milwaukee	001 103 10x—6 12 0	

Tibbs, Hickey (4), Holton (6) and Tettleton; Navarro, Fossas (7), Crim (8) and Surhoff. W—Navarro, 2-1. L—Tibbs, 2-6. Sv—Crim (4). HRs—Baltimore, Tettleton (7). Milwaukee, Surhoff (4).

Oakland	202 130 001—7 10 0	
Texas	031 000 000—4 9 1	

Welch, Honeycutt (8), Eckersley (9) and Hassey; Bohanon, McMurtry (4), Moyer (8), Arrabero (9) and Petrelli. W—Welch, 8-2. L—Bohanon, 0-3. Sv—Eckersley (17). HRs—Oakland, McGwire 2 (15), O.Henderson (7). Texas, Sierra (7), Baines (7).

NATIONAL LEAGUE

Montreal	101 002 100 00—5 12 0	
New York	011 001 020 01—6 12 0	

(11 innings)

Boyd, Hall (6), Mahorcic (9) and Fitzgerald; Ojeda, Darling (7), France (11) and Sasser. W—France, 2-0. L—Mahorcic, 0-1. HRs—New York, McReynolds (7), O'Malley (1).

Chicago	110 020 100—5 11 0	
Pittsburgh	400 000 01x—6 7 2	

Assenmacher, Wilson (2), M.Williams (8) and Girardi; Terrell, Bellado (8) and Bilardello. W—Bellado, 1-1. L—M.Williams, 0-5. HRs—Chicago, Grace (2), Sandberg (12). Pittsburgh, Bonilla (13).

Philadelphia	000 201 042—9 13 0	
St. Louis	000 000 201—4 10 0	

Ruffin, Akerfelds (7), Parrett (7), Carman (8), McDowell (9) and Lake, Daulton (8); Magrane, Terry (8), Niedenfuer (8), Dayley (9), DiPino (9) and Zeile. W—Carman, 3-0. L—Terry, 0-4. HRs—Philadelphia, Hollins (2). St. Louis, Pendleton (3).

Houston	200 007 000— 2 4 0	
San Diego	002 000 12x—11 12 3	

Deshaies, Darwin (5), Hernandez (6), Agosto (8) and Biasio; Rasmussen and Santiago. W—Rasmussen, 6-2. L—Deshaies, 3-3. HRs—Houston, Anthony (5). San Diego, Abner (1), Templeton (4).

Atlanta	000 000 040—4 9 3	
Los Angeles	000 001 003—4 4 1	

P.Smith, Hesketh (8) and Olson, Kremers (8); Morgan, Aase (8), Wetteland (9) and Scioscia. W—P.Smith, 5-4. L—Morgan, 4-4.

Cincinnati	000 000 010—1 8 4	
San Francisco	000 001 22x—5 9 0	

Armstrong, Charlton (7) and Oliver; Garrelts, Brantley (8) and Kennedy. W—Garrelts, 2-4. L—Armstrong, 8-2. Sv—Brantley (7).

Japan Baseball

Central League

	W	L	T	Pct.	GB
Yomiuri	30	18	0	.625	—
Taiyo	25	18	2	.581	2½
Chunichi	21	24	1	.467	7½
Hanshin	21	25	0	.457	8
Hiroshima	20	24	1	.455	8
Yakult	18	26	0	.409	10

Pacific League

	W	L	T	Pct.	GB
Seibu	30	11	1	.732	—
Orix	26	17	1	.605	5
Nippon Ham	21	21	0	.500	9½
Lotte	16	19	0	.457	11
Kintetsu	16	25	0	.410	13
Daiei	11	29	2	.275	18½

Wednesday's Results

Taiyo 4, Yomiuri 2
Chunichi 5, Hanshin 3
Yakult 5, Hiroshima 4
Lotte 16, Seibu 1
Nippon Ham 8, Kintetsu 5
Daiei 4, Orix 3

BASKETBALL

NBA Finals

DETROIT vs. PORTLAND
Detroit leads series 1-0
Tuesday, June 5
Detroit 105, Portland 99
Thursday, June 7
Portland at Detroit
Sunday, June 10
Detroit at Portland
Tuesday, June 12
Detroit at Portland
Thursday, June 14
Detroit at Portland, if necessary
Sunday, June 17
Portland at Detroit, if necessary
Tuesday, June 19
Portland at Detroit, if necessary

Tuesday's Game

Portland	33	19	28	19—	99
Detroit	24	23	29	29—	105

PORTLAND

	Min	FG	FT	Reb	A	F	Pts
Kersey	41	7-12	4-7	2-8	1	5	18
Williams	41	8-12	4-9	3-12	3	3	20
Duckworth	36	7-14	2-5	1-6	8	3	17
Drexler	37	9-19	3-3	3-9	6	5	21
Porter	40	5-15	4-4	0-0	8	4	14
Young	14	1-3	0-0	0-1	3	2	3
Petrovic	4	1-3	0-0	0-0	0	3	2
Robinson	15	1-5	0-0	0-3	1	4	2
Cooper	10	0-1	0-0	0-3	0	3	0
Team				6			
Totals	240	39-85	18-28	8-52	22	35	99

DETROIT

	Min	FG	FT	Reb	A	F	Pts
Radman	23	3-5	0-0	2-9	1	6	6
Edwards	22	2-9	5-6	2-3	0	3	9
Laimbeer	37	3-9	5-5	3-15	1	4	11
Dumars	41	6-15	8-9	0-1	4	3	20
Thomas	38	13-27	5-6	1-7	6	3	33
Salley	24	2-6	2-4	8-9	1	4	6
Johnson	17	0-6	2-2	1-2	3	0	2
Aguirre	28	5-14	7-12	2-8	0	2	18
Team				1-9			
Totals	240	34-91	34-46	19-73	16	25	105

3-Point goals—Portland 3-11 (Porter 2-5, Young 1-3, Kersey 0-1, Drexler 0-2), Detroit 3-10 (Thomas 2-3, Aguirre 1-2, Johnson 0-1, Dumars 0-1, Laimbeer 0-3).

CYCLING

Tour of Italy

Results Wednesday in the 20th and final stage, a 98-kilometer (56-mile) ride around a circuit in downtown Milan:

1, Mario Cipollini, Italy, 1 hour, 52 minutes, 36 seconds; 2, Adriano Baffi, Italy, same time; 3, Giovanni Strozzer, Italy, s.t.; 4, Giovanni Fidanza, Italy, s.t.; 5, Roberto Pagnin, Italy, s.t.; 6, Rolf Sorensen, Denmark, s.t.; 7, Silvio Martinello, Italy, s.t.; 8, Paolo Cimini, Italy, s.t.; 9, Casimiro Morado, Spain, s.t.; 10, Francesco Rosolaoli, Italy, s.t.

Final Standings

1, Gianni Bugno, Italy, 91 hours, 51 minutes, 8 seconds, or 37.6 kmph; 2, Charles Mottet, France, 6 minutes, 33 seconds behind; 3, Marco Giovannetti, Italy, 9:01 behind; 4, Vladimir Poulnikov, Soviet Union, 12:19 behind; 5, Federico Echave, Spain, 12:25 behind; 6, Franco Chioccioli, Italy, 12:36 behind; 7, Marino Lejarreta, Spain, 14:31 behind; 8, Piotr Usrumov, Soviet Union, 17:02 behind; 9, Massimiliano Lelli, Italy, 17:14 behind; 10, Leonardo Sierra, Venezuela, 19:12 behind

TRANSACTIONS

BASEBALL
American League

AL—Suspended Joe Morgan, Boston manager, for three games for supporting a brushback pitch that precipitated a bench-clearing brawl at Cleveland on June 3.

BOSTON—Released Bill Buckner, first baseman. Called up Jeff Gray, pitcher, from Pawtucket, International League.

KANSAS CITY—Signed Shonne Rea, Robert Tath, Doug Harris, Anthony Lee and Damon Pollard, pitchers.

MILWAUKEE—Bought contract of Mike Capel, pitcher, from Denver, American Association.

National League

ATLANTA—Put Ernie Whitt, catcher, on the 21-day disabled list, retroactive to June 2. Called up Jimmy Kremers, catcher, from Richmond, International League. Moved Nick Esasky, first baseman, from the 15-to the 60-day disabled list.

PITTSBURGH—Put Ted Power, pitcher, on the 15-day disabled list. Recalled Rick Reed, pitcher, from Buffalo, American Association.

TENNIS

French Open

MEN'S SINGLES
Quarterfinals

Thomas Muster (7), Austria, def. Goran Ivanisevic, Yugoslavia, 6-4, 4-6, 6-4, 6-3. Andres Gomez (4), Ecuador, def. Thierry Champion, France, 6-3, 6-3, 6-4.

ROLAND GARROS
PARIS
OFFICIAL TIMER
SEIKO

ART BUCHWALD

Tooting With the Mayor

WASHINGTON — Mayor Marion Barry's defense lawyer's strategy is to convince a jury that the reason the mayor has been charged with possession of drugs and perjury is because of his race. This is not the case. Most people tend to get nervous when their mayor is tooting suspicious substances.


Buchwald

The truth of the matter is that mayors have to make more split decisions than any other elected officials.

They also need to make them with a clear head — dope can slow you down.

Come with me to a mayor's mansion in Gotham City, U.S.A.

□

Mayor Dubarry is reading the morning newspaper with a straw.

The phone rings and a voice says, "Mr. Mayor, we have a warehouse fire on Cunard and First. What do you want us to do?"

"Dispatch 4,000 snow plows — and if that doesn't work, use your backup garbage trucks."

"We don't have 4,000 snow plows, sir."

"Then order them from The Sharper Image catalogue," Dubarry tells him and hangs up. He appears very restless and calls in his secretary.

"Do I have any grand jury hearings today? I feel like committing perjury."

"No, sir. They're coming up next week."

"That's a pity. Maybe I'll lie to the press."

"You always feel better when you do, Mr. Mayor."

□

The phone rings again. "Mr. Mayor, this is the chief of police. There's a madman on top of the library, and he's screaming that he won't come down until you pay for the last marijuana delivery he made to you in the Virgin Islands."

"Shoot him."

"You really want us to shoot him?"

"What choice do I have? I'm the mayor."

He hangs up and turns to his secretary, "Do you remember where I put the Percodan pills?"

"I thought you put them in the 'In' box with the uppers."

"I better have a few while I design the plans for the new hospital."

"Mr. Mayor, you know that Margaret Thatcher is coming this morning for a visit."

"I wonder if she snorts?"

"I don't think so. By the way, the State Department protocol people have requested that you do not giggle when you give her the key to the city."

"They've got a nerve telling me what to do," the mayor says. "Do I tell Margaret Thatcher how to run the Eiffel Tower?"

"Are you finished cooking with this white powder?"

"Of course I'm finished. I can take it or leave it."

"Then I'll put it away."

"No, leave it."

□

"Mr. Mayor, there is a subway derailment and all traffic in the city is stopped. The man responsible was on drugs."

"How sad. Let's give him another chance."

"Sir, do you think you should be sitting on the floor in the lotus position when Prime Minister Thatcher comes into the room?"

"She rules India, she should be used to it."

Bush Enters Fray Over Arts Budget

The Associated Press

WASHINGTON — The Bush administration, aiming to quiet the clamor over government funding of allegedly obscene art, will seek a one-year interim budget for the National Endowment for the Arts instead of a five-year authorization, a White House spokeswoman said Wednesday.

Alixe Glen, the deputy press secretary, called it "the prudent thing to do."

Conservatives on Capitol Hill have sought to write new restrictions into law to prevent the arts agency from patronizing what they view as obscene or blasphemous art, such as exhibits of the late Robert Mapplethorpe's homoerotic photographs or Andres Serrano's shot of a crucifix in urine.

Reagan Biofeedback by Richard Condon

Each time Chay would make a plan to slip into New York incognito, Keifetz and Grogan would increase the mood-altering drugs which led to more hypnosis, which led to more biofeedback, which led to making him feel more and more and more that he was actually Ronald Reagan, until he began to reach the point where he ran the country's foreign affairs and Defense Department purchasing by astrology.
"Emperor of America" by Richard Condon

By Sarah Booth Conroy
Washington Post Service

WASHINGTON — "Strident, venomous, punitive-mean" — that's the way Richard Condon characterizes his new book, "Emperor of America," a rough, ready and raucous satire on Ronald Reagan, Colonel Oliver North and co-conspirators.

In which: A businessman drops a nuclear bomb on Washington. An army colonel becomes a national hero battling Nicaraguans bred to fight. The CIA flies Colombian cocaine to Nantucket. And the colonel is crowned Emperor of America.

Well, it's not as though any of his earlier 22 novels were "Anne of Green Gables." "The Manchurian Candidate" eerily predicted the character of John F. Kennedy's assassin and Lee Harvey Oswald's death. In "Winter Kills," Condon went back to a presidential assassination, presenting another plausible plot; in "Death of a Politician" he fantasized a Senator Joe McCarthy-like character.

Condon's most recent hits have been his three Prizzi books — "Prizzi's Glory," "Prizzi's Family" and "Prizzi's Honor," from which the John Huston movie was made.

"If you're writing about the Mafiosi, it's based on a rock bed of reality. If you're writing about politicians, you're writing about marshmallows and smoke," he said. In any case, money is both the villain and the unifying theme in all his books. The constant reader may suspect he prefers the Mafiosi — hit men and women (equal opportunity employers), gangsters, gamblers and cooks (does Prizzi come from Pizza?); he seems to find them more principled. But then he grew up in Manhattan.

"Because of the universally popular concept of the Mafiosi, I was able to maintain the realism of who and what they were and where they lived while satirizing them."

Not long ago, Condon — ensconced in the ultra-respectable Hay-Adams Hotel — was disguised as a nice 75-year-old author. He drank pitcher after pitcher of iced tea and explained why he doesn't need Russians to play villains in his stories as long as he has corrupt American politicians.

"Emperor of America" (published by Simon and Schuster) resulted from Condon's coming back to the United States from Ireland during the 1980 election, at the beginning of Reagan's first term.

On April 26, 1982, the book began to ferment — maybe mold is a better word — in the novel factory in Condon's head. That was when he was traumatized by reading in Time magazine a full-page story about the visit of the Reagans to Claudette Colbert in Bermuda.

"The story said that the trip was backed up with a fully equipped hospital ship, four helicopters, two fire engines, a new telephone cable for 50 telephones, 110 drivers, 518 people, including 200 journalists. And that slammed home to me that whoever was doing the thinking for Reagan had decided that now was the time for an American monarch. After all, the divine right of kings is the same as the Teflon effect — the king can do no wrong. My book just takes it one step further."

Not until the last year of Reagan's second term did Condon write "Emperor." He can't believe "that two days after Reagan left the White House, The New York Times reported he was the most popular president in history. I elected myself as the person to say, 'There's no reason for this man to be a popular president and here's why.' I felt I had to raise my voice, and say, 'Damn it, how can you possibly accept this idiot as your great leader in history?' "

As a character says in "Emperor": "Television and only television elected Ronald Reagan, did it not? His lovely tailoring, his Harold Teen manner, his acknowledged genius as a waver — why else would the owners of the country have chosen a failed movie actor to fill the presidency? Television! The key to all minds and hearts because it permits the people to be entertained by their government without ever having to participate in it."

The novelist believes that "the manipulators — I should say the custodians of law and order, our lives and government — have decided that the attention span of the American people is limited to three days. When you think of all the things people have to get done in a day, plus the engulfment of television, all they can do is to view politics as entertainment.

"I think of the American people as sitting on bleachers by the river. Around comes a float — the Iran-contra float; here comes another: our brave president daring to go to Colombia to solve the drug problem. You can't get any more satirical than that. Satire can only survive by holding a very slippery thin edge of reality. You have to try to make people believe in what you're writing about, even if you're mocking what they have accepted."

Condon expected opinions — literary and political — to be divided on "Emperor." He was right. Roy Blount Jr. in The New York Times Book Review wrote that he finds the "hitherto fore deft Mr. Condon becomes not only heavy-handed but airily hard to follow." And he postulates, "Mr. Condon, like his Manchurian candidate, was programmed years ago by the Republicans to establish himself as a trenchant observer and then, when the time came, to render the truth about Reaganism in self-discrediting form."

Jonathan Yardley in The Washington Post Book World said the book isn't so much a novel as a jeremiad, but he added that "as a sendup of the Reaganite nightmare and the televidiotic culture upon which it fed, 'Emperor of America' is bang on from first page to last — a mean, nasty and thoroughly hilarious piece of social and political lampoonery."

To confound his fans, who might confuse him with his characters, let it be explained that readers often think that writers have the same sexual adventures, physical characteristics, etc. of their characters, while in truth, writers are usually fatter, more chaste and less murderous than their characters.

Hot-footing it all over seven countries in 27 years, Condon perched in, among other roosts, what he calls "gringo heights" in Mexico City; in a palazzo in Lugano; and Rossenarra, an 1824 country house in Ireland. He used these and other exotic places as settings for his life and his books. He came back to the United States with the wife he skipped the country with, Evelyn Hunt Condon. After 53 years of careful inspection, he still counts the former Powers model as a great beauty.

Evelyn Condon serves as his first editor. "I'm weak on punctuation," he said. "She makes check marks by what I should change."

Condon says he's slowing down — "always before, I had two books ahead in my mind."

His 24th novel, not long finished, is up for auction. Condon prefers the advance he gets when three publishers bid against each other. "Publishers love to call writers disloyal. But Ronald Wilson Reagan taught us to 'Get the money.' " The 24th, "Get Out of My Dream," is a political satire too — set in the 1992 elections — about the entanglement in cocaine dealing of a frankfurter salesman.

One of his most charming books, "The Mexican Stove — Words by Richard Condon, Food by Wendy Bennett" (a daughter) — has recently been reissued by a Texas publisher with Condon's original choice of title, "Olé, Mole." Condon makes two claims for the book: It's the only Mexican cookbook written (and test cooked and eaten) in Ireland, and it has the longest introduction (55 pages, also autobiographical) ever written for a cookbook.

After the pouring out of the invective in "Emperor of America," Condon says, "I'm so tired of writing political satire. I think my next one will be about a nice collie — better a dachshund, maybe a hunting dachshund."


Sara Krulwich/The New York Times
"Venomous, punitive" author Condon: "If you're writing about politicians, you're writing about marshmallows and smoke."

PEOPLE

European Art in Japan: A Gallery Full of Copies

Art lovers in Japan will be able to study the Mona Lisa and other famous works without leaving home at a planned gallery that will exhibit 2,000 copies of European paintings. The $35-million project stems from an agreement between the Paris dealer **Daniel Delamare**, who specializes in rare top-quality copies, and an Osaka property firm, **Taihei Sangyo**. The works will span the period from the 15th century to the 20th. Included will be copies of works by **Renoir, Modigliani, Matisse** and **Caravaggio**.

□

For **Abba Eban**, the Israeli statesman: a 75th birthday bash at the United Nations with all the living former presidents of the United States, various diplomats, magnates and intellectuals, hosted by **Henry Kissinger**. Eban was Israel's first U.N. representative in 1949.

□

Pop superstar **Michael Jackson** has experienced more chest pains, *his spokesman said. This will delay* the completion of tests designed to pinpoint his health problems, and he is to remain hospitalized. The singer, 31, who shuns alcohol, cigarettes and junk food, has no history of serious health problems. But the recent deaths of his maternal grandmother and of the entertainer **Sammy Davis Jr.** were said to have put him under stress. "He's known to have had this sort of problem when he's overexhausted or overworked," his sister **LaToya** said in a phone interview.

□

The Norwegian actress **Liv Ullmann**, 51, has become a grandmother. Her daughter, **Linn**, has given birth to a son in Oslo.

□

The Swedish magazine Z has appealed its conviction on defamation charges for printing allegations that the former tennis star **Bjorn Borg** used drugs. Stockholm's district court ordered the monthly magazine last month to pay 75,000 kronor ($12,500) to the five-time Wimbledon champion and to print an apology. Judicial experts debated about the trial, which did not seek to determine whether the allegations in the article were true. "It was a faulty trial, since the court did not let us prove that what we wrote was true," said publisher **Jorgen Widsell**.

TODAY'S CAREER OPPORTUNITIES
Appears on page 8

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PERSONALS

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